INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends and Future Plans

Consolidated Mining and Smelting Co.—At the annual meeting of the company the shareholders authorized the issue of $3,000,000 10-year 7 per cent. bonds to shareholders at par. The bonds may be called any time after January 1st, 1922, and redeemed at $1.10, or they may be exchanged for stock, par for par, after January 1st, 1924.

As no mention was made of dividends, it is believed that the company intends to continue its previous dividend policy.

International Harvester Co.—The company has purchased the Oliver interests in the Oliver Chilled Plow Works of Canada, Ltd., located in Hamilton. The name of the company will be changed. The Harvester company assumes immediate control and operation of the property.

The Oliver Chilled Plow Co. established its Canadian plant in Hamilton in 1910. It is one of the city's most important industries. The buildings occupied several acres of land in the industrial annex, close to the plant of the International company.

Brazilian Traction, Light and Power Co.—The gross earnings of the company for November, 1918, showed a decrease of 114,000 milreis from November, 1917. Operating expenses, however, showed a decrease of 345,000 milreis, hence net earnings, at 3,723,000 milreis, represented an increase of 231,000 milreis. The report for November states that the decrease in gross was due to a serious influenza epidemic raging in Rio de Janeiro during the month.

During the first eleven months of the year gross earnings increased 9,232,000 milreis, and net increased 4,428,000 milreis.

Shawinigan Water and Power Co.—The company has disposed of an additional $500,000 stock, the transaction having been carried out privately at terms stated to be advantageous to the company. The fact that the stock had been sold was made known through an official notice to the Montreal Stock Exchange applying for the listing of the additional 5,000 shares, and quoting from the minute book a resolution giving the directors authority to sell the stock at a price "not less than 105."

The exact price realized in the sale was not officially announced, but it was stated that the company had realized a substantial premium. That the stock was sold privately and not offered to shareholders for subscription was due to the amount being so small that it would not have been worth while to have extended subscription privileges.

The outstanding capital of Shawinigan is $15,000,000 and the authorized issue $20,000,000. Complete conversion of the $4,500,000 convertible notes, with the block of $500,000 stock now sold, would practically bring outstanding stock up to the $20,000,000 limit.

International Loan Co.—The president of the company has reported to the directors that he has completed the sale of the first million dollars of the capital.

This stock has all been placed in Manitoba, chiefly with farmers, and the loans have all been made to farmers. The shareholders number almost 1,000. The company deals in nothing but first mortgages on real estate.

The shares are being sold at $110, so that all the costs of the sale are covered and a small reserve created from the beginning.

A year ago at the shareholders' meeting it was reported that $600,000 in shares had been sold, and that the effort would be made to place $400,000 during the fiscal year which ends on January 31st. This has now been accomplished, and a beginning is being made on the sale of the second million in the expectation that the second million will be placed this year.

The plan of the International loan is to sell in the course of years $10,000,000 in common stock. All shares placed after March 14th will be sold on a basis of $120. No bonds will be sold until the number of shareholders has been very greatly increased. The annual meeting of the shareholders will be held on March 14th next.

Lake Shore Mines, Ltd.—The company's mill started operations on March 7th, and up to November 30th produced $370,128 worth of gold. The ore taken from four levels was development ore. Drifting, cross-cutting and raising to the extent of 1,820 feet was done, and 80 per cent. of all drifting was on ore of milling grade.

The company's expenses amounted to $185,461, including $158,176 operating expenses, depreciation $22,285, and directors' fees $5,000. The sum of $43,365 was charged to development account during the first three months, when the mill was not yet in operation. Thus a surplus was left of $234,978. The sum of $90,000 was charged against provision for exhaustion and a net profit was made of $144,987. The company paid two dividends (5 per cent. each), amounting to $100,000, invested $50,000 in Victory bonds and carried forward into the current year a surplus of $44,978. The capitalization is $2,000,000 (par value $1). The company has opened up rich new lenses of ore on the 400-foot level and levels above, but, as operating conditions have been difficult with respect chiefly to labor, no great amount of raising has been done. For this reason no attempt has been made to estimate ore reserves.

The balance sheet shows current assets of $186,996 as against current liabilities of $84,841, thus leaving net working capital of $102,000. Of the current assets, $49,417 was cash, $52,154 bullion, $50,000 Victory bonds and $33,634 supplies on hand.

Brompton Pulp and Paper Co.—The company reports earnings of $1,051,274 for the year ended October 31st last, a decrease of about $20,000 from 1917. The balance, after interest, depreciation and preferred dividend, was $637,274, equal to 9.16 earned on the common stock, on which 5 per cent. was paid in dividends.

The balance sheet shows some fairly large changes. Inventories are up about $900,000, and as one result of this an item of $500,000, bank loan, appears among current liabilities. Net working capital, however, is higher. Current assets are $3,093,467, against current liabilities of $1,279,673, leaving working capital of $1,813,794. A year ago the position was: Current assets, $2,208,934; current liabilities, $489,178; working capital, $1,719,756. The item of "investments," which includes the purchase of subsidiary concerns, is up sharply from $149,277 to $479,925.

Accompanying the report is notice of an issue of $1,000,000 20-year 6 per cent. general mortgage bonds, authority for which will be asked from shareholders at a meeting on February 4th. The proceeds of the issue will be used to finance the purchase of the Odell Manufacturing Co.

Shareholders of record January 25th will be offered rights of subscription to the new issue at a price of 80, in the proportion of $100 in bonds for every nine shares of stock. The first payment will be $8 on February 18th, the balance to be paid in nine equal monthly instalments of $8. Rights of subscription expire February 18th.

In connection with the new issue the directors' report states that the directors and large shareholders have already underwritten their quota of the bonds, and arrangements have been made for the sale of any balance not subscribed for by the shareholders.