

DOMINION TEXTILE COMPANY

CITY DAIRY COMPANY REFINANCES

Labor Difficulty Was Small—Satisfactory Amount of Business—Extensions and Growing Market

Common Stock to be Halved and a New Issue Made at Par for Cash—Business to be Extended

Monetary Times Office,

Montreal, March 19th, 1913.

Some little uneasiness was felt among the shareholders of Dominion Textile Company, in Montreal, at the end of last week, when it was learned that the concern was having a little difficulty with its employees at the Montmorency mill, near Quebec. This uneasiness was due more to the knowledge that the stock market is now in a condition in which very little bad news is likely to have very considerable effect than to any doubt of the company being able to deal effectively with the matter.

It would appear that a strike took place in the card room and that, as a consequence, it was necessary to close down operations for a couple of days. The strike was not a large one, only some forty-four employees being involved. The chief anxiety, no doubt, was in the possibility that unless the difficulty was settled other employees might be involved in what, it is claimed, was only a misunderstanding between the employees and the management. The Dominion Textile, as is well known, is a very large employer of labor, this labor being, for the most part, fairly well organized.

Trained Labor Essential.

In addition to this the employees must, in very large part, be trained to their specific duties and when these become expert it is not easy to provide substitutes. The company has experienced considerable difficulty during the past few years because of this. For some time it was constantly in danger of a strike owing to a reduction in wages which had taken place. Later these wages were restored and for some time past very little has been heard of trouble between the management and the employees. Labor costs are now said to be 17 per cent. higher than in 1908, when the cut of 10 per cent. just alluded to took place. Hours of labor are now five hours less a week, total working hours being 55.

The Dominion Textile Company, in common with most concerns of this nature, has been doing a very large business during the past year and profits have been accumulating. The demand for cotton cloth of all kinds is unusual, and it would seem that orders have already been placed in sufficient volume to keep the mills operating during a considerable portion of the year 1913. In order to provide for this increase, the company has been increasing its output. An extension has been made to the Magog mills and 600 looms are to be added. The first of these has just started up and it is expected that the entire 600 will be operating by the first of May. The capacity of the Mount Royal mill has also been increased, although not to such an extent as in the case of the Magog mill, the addition being about 300 looms. It is also stated that the Ste. Anne's mill, at Hochelaga, is to be enlarged. In the latter instance it is stated that the capacity may be doubled.

Strong Position Said to be Held.

The general feeling in financial circles here is that the Dominion Textile Company should now be in a safe position to compete with the product of other countries. It has its mills situated at different points where help is most easily available and from which shipments can easily be received and made. The labor for the most part is efficient and not of a discontented nature. The market for the cotton is enlarging each year and the company is constantly improving its methods and systematizing its operations. It not only controls all its own mills from the one office in Montreal, but has close association with a number of other textile concerns, and through its directorate also has an outlet for no small proportion of its output through whitewear manufacturing concerns. All these advantages are being at last reflected in the price of the stock which, heretofore, has been susceptible to bearish influences, but which, throughout the present depressing period, has, together with the stock of Canadian Cottons and other cotton concerns, held firm.

The committee of the National Convention of Insurance Commissioners having charge of the question of the revision of the standard fire policy have held an important conference at New York, and discussed all the points raised against the present standard form, giving due consideration to Commissioner William B. Ellison's report. A tentative draft of a new contract of simpler and briefer form was drawn up, and the meeting then adjourned until Monday, March 24th, when the draft for a new standard form will be put in final shape. After that it is probable that it will be submitted for legislative enactment in the various States.

The common stock of the City Dairy Company, Toronto, will be reduced by one-half, from \$565,000 to \$282,500. Then when authority has been procured, \$282,000 new common stock will be offered to the holders of the reduced common stock, share for share, payable at par in cash. Afterwards it is proposed to place the common stock on a dividend basis of 8 per cent., with the first payment on July 1st, 1913. This plan of providing the company with additional funds for the extension of the business without increasing the amount of capital stock outstanding, was decided by the directors on Tuesday.

Will Give Company Cash.

In connection with the new financing plan, Messrs. A. E. Ames & Company issued the following statement: "The course now decided upon will furnish the company with \$282,500 new cash, without increasing the amount of capital outstanding; it will strengthen the position of the preferred stock by putting just that much new assets back of it, and will permit of writing off \$282,500 from good-will or organization account. The new money should be worth 7 per cent. to the company in saving in bank interest and in purchases by taking the fullest advantage of cash discounts. Outside of that the only additional payment would be 1 per cent. on the new capital and \$11,300 per annum, being the equivalent of raising the common stock dividend to 4 per cent. per annum from 2 per cent., at which rate it has remained for four years."

"The plan adopted will put the company in a strong position should it at a later date require further capital, which could be furnished by the issue of either common or preferred stock or bonds. No further financing is, however, in sight."

Dividends Were Declared.

When the company was organized, a bonus of 100 per cent. of common stock was given with the preferred shares then issued. Subsequent issues of preferred stock were made at par without the bonus.

The net profits of the company last year were \$104,136. This week a quarterly dividend of 1 per cent. was declared on the common stock at the rate of 4 per cent. per annum, payable April 1st to shareholders of record March 30th. Common stock dividend has hitherto been at the rate of 2 per cent. per annum, payable half-yearly. The regular quarterly dividend of $1\frac{3}{4}$ per cent. was also declared on the preferred stock.

DEATH OF MR. ROBERT REFORD

Monetary Times Office,

Montreal, March 19th, 1913.

Mr. Robert Reford, who for many years has been well known in the shipping trade as well as in industrial and financial circles, is dead. He was an Irishman by birth, and together with other members of his family came to Canada in 1845. The family went to Toronto and Mr. Reford remained there for the next twenty years. It was while a member of the firm of Reford and Dillon that he first participated in the navigation business, his firm having sent a Canadian schooner with a cargo of produce from the Great Lakes to Port Natal in South Africa. In 1865 he came to Montreal, and five years later entered the steamship agency business and quickly built up a remunerative trade. He later established the Robert Reford Company, becoming president thereof. The company acts as agents for several lines, among which are the Donaldson Line, the Thomson Line, and others. Mr. Reford was also identified with a large lumber company as well as with the Montreal Grain and Elevating Company, the Lake of the Woods Milling Company, the Bank of Toronto, the Paton Manufacturing Company, the Nova Scotia Steel and Coal Company, the Labrador Company, the Mount Royal Milling and Manufacturing Company, of all of which he was a director. He was also president of the Crown Trust Company, which was largely formed by those who were early interested in the Crown Reserve Mining Company. In the last years of the old harbor commission, which preceded the present commission of three, Mr. Reford was one of the representatives. He was also a governor of McGill University and was a liberal contributor to the fund in 1908. At the time of his death he was 82 years of age.

Applications have been received by the London Stock Exchange to list the following Canadian issues:—City of Montreal, £1,438,300 four and a halves; Grand Trunk Pacific, branch lines, £240,700 fours, and Vancouver Power Company, £50,000 four and a quarters.