

AMONG THE COMPANIES

THE DEMERARA ELECTRIC CO., LIMITED OF HALIFAX, N.S.

Reports earnings for May, 1917, as follows:

	Gross.	Net.
Railroad	\$4,889.55	\$ 163.91
Light and power	7,234.18	4,266.34
Miscellaneous		78.98
		\$4,509.23

PENNSYLVANIA RY. CO. SELLS COAL PROPERTIES.

The Pennsylvania Railroad Company has sold all its anthracite mining properties and collieries to M. A. Hanna and Company, of Cleveland, Ohio. The terms of the sale were not made public.

The sale one of the most important transfers of anthracite coal properties in recent years, is the result of a determination of the Pennsylvania railroad to divest itself of interests not directly connected in the transportation service.

FEBRUARY AND MARCH EMBEZZLEMENTS.

Press notices and dispatches, as collated by the Fidelity and Casualty Company of New York, indicate for the months of February and March, 1917, the following defalcations:

	February.	March.
Banks and Trust Companies ..	\$2,227,900
Beneficial Association ..	1,500	\$ 18,678
Public Service ..	6,362	6,000
General Business ..	42,076	374,055
Insurance Companies ..	152,500	1,096
Transportation Companies ..	30,010	14,000
Courts and Trusts ..	31,700	15,000
Miscellaneous ..	163,249	146,836
Totals ..	\$2,645,297	\$575,665

NOVA SCOTIA STEEL CO.'S OUTPUT.

The tons of coal mined by the Nova Scotia Steel Company during the second quarter of 1917 show an increase of 5,551 tons, as compared with the first.

Comparisons with the first quarter are as follows, in tons:

	2nd. Q'ter.	1st Q'ter.	Increase.
Coal	152,076	146,525	5,551
Ore	14,238	12,177	2,061
Limestone	20,896	21,074	178†
Coke	25,874	25,555	329
Iron	21,971	21,103	868
Steel ingots	33,377	28,598	33,683
Finish steel	28,904

(†) Decrease.

BROMPTON EARNINGS.

According to profit and loss figures issued after a meeting of the Brompton Pulp and Paper directors, after their meeting last Thursday, the company earned a net surplus of \$501,274 for the common stock in the half year ending June 30th last. This represents earnings at the rate of 14.32 per cent. per annum on the \$7,000,000 issue.

Surplus as shown was after setting aside \$150,000 for contingencies and estimated war taxes, before bringing forward manufacturing profits for the period. The latter were given as \$666,537 from which were deducted \$49,274 for general expense, etc., \$45,989 for interest accrued on bonds, and \$70,000 for preferred dividend for the period, leaving a net balance of \$501,274 for the common stock. After deducting \$175,000 for the common stock dividends and bonuses of the half year, totalling 2½ per cent., the sum of \$326,274 remained to be carried forward.

No balance sheet was issued, but it was stated that current assets were approximately five times current liabilities and the net working capital about \$1,500,000.

The common stock is to be placed on a straight 5 per cent dividend basis, instead of 4 per cent. plus bonds of 1 per cent. were verified, the directors declaring a straight 1½ per cent. dividend for the third quarter of the year.

BRAZILIAN TRACTION MAKES BETTER SHOWING.

Brazilian Traction monthly reports to the end of May, 1917, show gross earnings 37,004,000 milreis; operating expenses, 16,620,000 milreis, and net, 20,380,000 milreis.

The Brazilian company has been steadily increasing the net return from its operations in Brazil, and unlike most enterprises providing traction and similar services, the net earnings in the last year show a considerable gain over even the year before the war, being 46,526,000 milreis, as against 39,312,000 milreis in the 1913 period.

Earnings of the Brazilian Company, being received in Brazilian currency, have to be converted into Canadian currency, and the exchange rates prevailing between Brazil and New York determine the revenue as expressed in dollars. Brazilian exchange has recently improved after the serious break of 1914, although not in the same ratio as the company's earnings. The approximate rate of exchange in 1916 was 12 pence, which was also the average in 1915, and this was four pence below the approximate rate of 1913. No improvement occurred during 1916, but an increase of almost 8,000,000 milreis in gross earnings of the Brazilian Company resulted in the revenue, after payment of all fixed charges, increasing from \$5,612,000 in 1915 to \$6,019,000 in 1916. In the same period the surplus of net revenue available for preferred and ordinary dividends increased from \$5,394,000 in 1915 to \$5,674,000 in 1916.

The rate of Brazilian exchange fluctuated around 12 pence until April last, when the market improved, and the rate has since reached 14 pence, and is today in the neighborhood of 13½ pence. The steady increase in net earning (in Brazilian currency) this year—figures of which have been available through the monthly statements of the company to the end of May—and the fact that the directors after the first quarter of this year discontinued disbursements on the common stock, removing the necessity of heavy losses through exchange, constitute the noteworthy feature of the Brazilian Traction position at the present time. It has permitted the company to reduce the floating indebtedness of its subsidiaries, and will enable it to provide for necessary capital expenditure this year.

But the reduction in the surplus of net revenue for the last two years, attributable to the decline in exchange from the rates prevailing for several years before the war, is estimated in the report of \$3,000,000 for the year 1915, and \$3,300,000 for the year 1916.

The following table shows the net revenue in gold for the past four years, with the approximate rate of exchange prevailing during each year:

	1913.	1914.
Exchange.	16d	15d.
Exchange, Rev. after charges.	\$8,420,560	\$8,058,813
General expenses ..	308,296	392,281
Net for dividends	\$8,112,264	\$7,666,532
	1915.	1916.
Exchange.	12d.	12d.
Exchange, Rev. after charges.	\$5,612,876	\$6,019,473
General expenses ..	218,074	344,831
Net for dividends ..	\$5,394,802	\$5,674,642

Early in 1914, before the outbreak of the war, the Brazilian Company constituted a new subsidiary for the development of the telephone business in the States, in which its other operations are conducted. This new corporation—the Rio de Janeiro and Sao Paulo Telephone Company—acquired the shares of five native telephone businesses, but the condition of the money market following the outbreak of hostilities rendered it impossible to finance the expenditures arising out of this purchase by the usual issue of bonds. The difficulties resulting from the closing of the international money markets were not solved until November of last year, when, it will be recalled, the Brazilian Company sold \$7,500,000 worth of three-year 6 per cent notes in New York, which were secured by general mortgage bonds of the Rio de Janeiro and Sao Paulo Tramway Companies. From the proceeds of this sale the sum of \$2,627,000 was set aside for the development of the several telephone properties, and the balance applied to discharging the

CANADIAN LOCOMOTIVE DECLARES DIVIDEND.

On Wednesday last the directors of the Canadian Locomotive Co. placed the company's \$2,000,000 common stock on a 6 per cent. per annum basis with the declaration of a dividend of 1½ per cent for the three months ending September 30th, the first quarter of the company's current fiscal year. The company has been a fairly good earner since reorganization in 1911. The first year of operation 1911-12 was poor and the company would in all likelihood have failed to cover the preferred stock dividend but for the fact that the interests who financed the company donated \$105,000 to the treasury to cover a loss sustained on a contract entered into prior to reorganization.

1914-15 was a bad year, when as a result of general prostration in the railroad equipment business surplus had to be drawn on to pay the preferred dividend. After depreciation and other allowances there was a net deficit of \$160,499 for the year.

The best year of the five which have so far been reported was 1915-16 when the company had a net surplus of \$161,520, equal to 8.1 per cent. earned on the common shares. But with the deficit of 1915, the net earnings available for common stock dividends, after deductions for reserves, etc., have averaged only 3.1 per cent. In the five years \$430,000 has been put into reserves.

With the best year showing only 8.1 per cent. and the average for the five only 3.1 per cent., a 6 per cent. dividend looks high. Its justification may lie in this that the year closed on June 30th has probably established a new standard of earning power for the company, with orders on hand promising very active operations for some time to come.

The company's earning record to date, is as follows:

	Profits.	Net after charges.	Surplus.
1916	\$574,211	\$267,520	\$161,520
1915	134,613	55,499*	160,499*
1914	342,057	197,890	92,890
1913	396,886	219,262	114,262
1912	326,380†	201,148	96,148

(*)—Deficit.

(†)—Including \$105,000 donated to treasury.

THE WORLD'S PRODUCTION OF COPPER.

The "Pester Lloyd" in a recent issue reports that the world's production of copper during 1916 amounted to 1,396,600 tons (1 ton equals 2,235 pounds), as compared with 1,061,300 tons in 1915, 923,909 tons in 1914, and 1,066,000 tons in 1913. Of the 1916 production, 880,880 tons are credited to the United States (556,000 tons in 1913). Next in importance ranks Japan with 99,000 tons, followed by Chile with 66,500 tons, and Mexico with 55,100 tons.

(Statistics compiled by the United States Geological Survey give the total production of smelter copper in this country for 1916 as 1,927,850,848 pounds.)

FAILURES THIS WEEK.

Commercial failures last week in Canada, as reported by R. G. Dun & Co. number 18, against 17 the previous week, 14 the preceding week, and 23 last year.

temporary loans arising out of the original purchase. Now the telephone business has apparently proved a prodigious revenue earner, the total number of telephones increasing almost 20 per cent in 1916, which compares with an increase of 3.45 per cent in 1915, and an increase of 4.87 per cent in 1914, and the earnings arising therefrom have constituted no inconspicuous part of the general accounts.

The gross earnings of the five telephone companies for the past year were 5,778,281 milreis, being an increase of 833,114 milreis, or 16.84 per cent. The operating expenses were 3,089,813 milreis, or 53.47 per cent of the gross earnings, and the net earnings were 2,688,468 milreis, as compared with 2,264,703 milreis in 1915, an increase of 18.7 per cent.