

Corporation Finance

Showing of St. Lawrence Flour Mills Company Similar in Character to Recent Exhibits of Companies Operating in the Same Line of Industry—Algoma Steel Operations Continue Along Favorable Lines—Whalen Pulp Company Will Rush Operations Vigorously Under New Executive Head

Demerara Electric Co., Ltd.—Earnings of the company for August, 1920, were as follows:—

	Gross.	Net.
Railroad	\$10,619.12	\$1,273.71
Light and power	9,351.10	3,569.29
Miscellaneous		398.05
		\$5,241.05

Trinidad Electric Co., Ltd.—The following is the earnings statement of the company for August, 1920:—

	Gross.	Net.
Railroad	\$18,190.74	\$ 6,003.73
Light and power	14,630.78	2,707.68
Ice and refrigeration	8,888.65	4,093.54
Miscellaneous		1.20
		\$12,806.15

Whalen Pulp and Paper Mills, Ltd.—T. W. McGarry, K.C., formerly provincial treasurer for Ontario, was elected to succeed Sir Geo. Bury as president, at a meeting in Toronto this week. The following executive was also appointed:—Hon. T. W. McGarry, Toronto; I. W. Killam, Montreal; Alexander Smith, Chicago; James Whalen, Port Arthur; M. J. Haney and W. G. Ross, Toronto, and M. R. Higgins, San Francisco.

The executive have under consideration several names for the position of general manager, but it was stated that that appointment will not be finally made until President McGarry makes his recommendations, after visiting Vancouver, for which place he leaves in the immediate future. In the meantime, it is intended to push operations vigorously, and to name a competent general manager at an early date. Sir George Bury was managing director as well as president, but it is apparent that under the new arrangement the two positions will be divided.

Algoma Steel Corporation.—At the annual meeting of the company at Camden, N.J., last week, only routine business was transacted and the old board of directors was re-elected. Since the last annual report was submitted, the company, which is a subsidiary of the Lake Superior Corporation, and which operates at Sault Ste. Marie, Ont., has been operating very favorably, and according to statements made at the annual meeting, expects to continue so for some time. Production for the three months ended September 30 last, as compared with the same period in 1919, was as follows:—

	1920.	1919.
Coke	\$142,593	\$65,998
Pig iron	116,362	50,149
Steel ingots	92,360	55,456
Rails	52,540	33,033
Structural steel	4,107	
18" merchant mill products..	9,068	6,805
12" merchant mill products..	5,046	1,842

St. Lawrence Flour Mills Co.—A statement of the company's finances for the year ended August 31 last reveals a showing somewhat similar to that of the Lake of the Woods Company, that is, in regard to earnings. The results of the year's operations amounted to \$215,077, as compared with \$245,594 a year ago and 268,737 in the preceding twelve months. After the payment of bond interest and dividends on the preferred stock standing, there remained available for application to the junior securities of the company the sum of \$161,432, as against \$191,109 in the previous statement, and \$214,098 in 1918. The 1920 showing was, therefore,

equivalent to 13.5 per cent. on the common shares, as compared with approximately 16 per cent. last year, and about 18 per cent. in 1918.

Out of the surplus available for distribution among the holders of the common stock there was paid during the year the usual 6 per cent. dividends and bonuses amounting to 4 per cent., taking \$120,000. This, together with fixed charges and preferred dividend payments, plus excess profits tax, accounted for \$202,078 of the year's profits of \$215,077. During the year a special bonus of 10 per cent. was distributed among the common shareholders, this being taken out of a new general reserve created for the purpose, amounting to \$182,566. No corresponding item appears in the company's accounts for previous years, and, with definite information on the subject lacking, the amount presumably was taken out of the 1919 "sundry credits" total shown in the balance sheet for the 1920 period at some 170,000 less than a year ago.

With the balance carried forward from the previous statement and after allowing for all additions and deductions, there remained a surplus of \$397,829 to carry forward into the current year, as against \$322,263 last year and \$251,154 in 1918.

The balance sheet discloses that the net change in the margin between current liabilities and current assets effected during the year was slight, although the position in this respect showed considerable improvement over 1918. Accounts receivable at \$132,291, compared with \$166,606 last year, but inventories of grain, flour and other milling essentials at \$396,306 are higher by almost \$300,000, with investments up \$50,000 at \$362,100. Cash on hand was reduced from \$151,119 to \$176 in the twelve months. The increase in mill inventories, however, was more than offset by an item of \$309,339, representing advances from the company's bankers.

Real estate buildings and machinery, \$601,977, is higher, while special accounts, property, good-will, etc., are carried at the unchanged figure of \$1,200,000 sundry credits, as previously mentioned, show a decline of in excess of \$173,000 to \$70,000. Elsewhere the two years' figures show no outstanding changes.

RURAL CREDITS IN ALBERTA

Relations between the banks and the rural credit societies in Alberta was the subject of a conference held at the beginning of this month between Hon. C. R. Mitchell, treasurer of the province, and representatives of the western section of the Canadian Bankers' Association. The question of improving the relations between co-operative rural credit societies in Alberta, of which there are now ten in operation, and the banks with which they do business was discussed with the bank officials, one of the special points talked about being the rate to be charged for money and the measure of guarantee to be given by the province and the municipalities.

Objection having previously been taken by the banks that the amount of the guarantee is not large enough to give them what they consider sufficient security in case of any special consideration in regard to rates, the possibility of some readjustment on this point was discussed, and a sub-committee of the bankers' association was appointed to look into the matter and to consult with the provincial treasurer. Mr. Mitchell says that if the province and the banks conclude satisfactory arrangements, legislation necessary to make them effective, thereby overcoming certain difficulties now involved in the working of the rural credits scheme, will be introduced at the next session of the legislature.