

Corporation Finance

Lake of the Woods Milling Profits Lower, but Position is Strengthened—Spanish River Common Placed on Seven Per Cent. Dividend Basis—Ford Motor of Canada Earns Sixty-Seven Per Cent. on Capital—Lower Tonnage but Higher Profits for Hollinger

Porto Rico Railways Co., Ltd.—The following is a comparative statement of earnings of the company for the month of August, 1920:—

	1919.	1920.	Increase.
Gross	\$ 95,861	\$119,232	\$ 23,370
Net	41,335	48,668	7,333
For eight months:			
Gross	750,327	906,257	153,929
Net	285,424	350,285	64,860

Ottawa Electric Railway.—The Board of Control of the city of Ottawa has recommended to the city council that a plebiscite be held in January next, at which property holders will vote whether or not to acquire the railway at a price to be fixed by arbitration. If the recommendation is approved the board will obtain a valuation of the property and assets of the railway before the vote is taken. Finally, if the ratepayers approve, the city will go to the legislature for power to borrow the necessary amount of money to be involved in the undertaking.

Ford Motor Co. of Canada.—George M. McGregor, vice-president and general manager of the company, reports that net profits for the year were \$4,696,243, after deduction of \$968,590 in business profits, taxes and all other expenses. Dividends paid amounted to \$1,750,000, leaving surplus on July 31 last at \$8,216,305, as compared with \$5,270,061 at July 31, 1919. The showing is made on a production of 55,616 cars, exclusive of tractors, and compared with 39,112 manufactured the previous year, and 75,000 to be produced the current fiscal year.

The profits earned were equivalent to 67 per cent. on the outstanding capital stock of \$7,000,000.

Laurentide Co., Ltd.—At the annual meeting of the company in Montreal last week, replying to a shareholder, who referred to the item of \$2,812,859 in bank loans, contained in the statement submitted, Geo. Chahoon, president, said that the extensions, acquisition of new limits and the retiring of the company's entire bond issue outstanding at the beginning of the year were all factors reflected in the position referred to. As to whether such loans would be liquidated out of earnings, he stated that, as had been the case in previous Laurentide statements, the item would probably "melt away" within a reasonable time.

Barcelona Traction, Light and Power Co.—The increase in the net earnings of the company in August was the second lowest monthly increase registered this year, owing to the continuance of the labor trouble in Barcelona, Spain. A record of gross and net earnings since the beginning of the fiscal year, together with the increase of net over last year, follows:—

	Gross. (pesetas)	Net. (pesetas)	Net inc. (pesetas)
March	2,533,815	1,695,141	754,489
April	2,676,148	1,767,913	782,874
May	2,647,592	1,767,311	628,785
June	2,523,998	1,618,187	488,939
July	2,542,202	1,570,414	451,773
August	2,715,020	1,716,904	463,834

Spanish River Pulp and Paper Co.—At the annual meeting of the company on September 30 last, the common stock was placed on a 7 per cent. dividend basis by the declaration of a quarterly rate of 1¾ per cent., payable to shareholders of record September 30, on October 15. The meet-

ing was of a routine character, about 90 per cent. of the outstanding common and preferred stock being represented, mostly by proxy. The former directors were re-elected and subsequently the following officers were elected: President, G. H. Mead; vice-presidents, P. B. Wilson and Thos. Gibson; secretary, J. G. Gibson; and treasurer, A. H. Chitty. Following the meeting President Mead, discussing the possibilities of supply catching up on demand, said that none could tell when that would take place, or what further falling off in general business was likely. If anything like the normal demand continued, it would be some time before the demand for paper products was equalled by the supply. The company's entire output is now being marketed at one price.

Replying to a vote of thanks, President Mead said: "The company has been conservatively dealt with at all times and rather with the thought in mind of permanency than of any temporary value which might accrue to the benefit of the security holders, and we hope we have built firmly enough to make the company a lasting property."

Lake of the Woods Milling Co.—Total profits earned by the company, according to the financial statement for the year ended August 31, 1920, which was made public to-day, amounted to \$732,232, compared with \$756,616 a year ago, and \$857,914 in the 1917-18 period. After the payment of the bond interest and dividend disbursements among preferred shareholders, which showed no variation from the previous year, there remained a balance applicable to the junior securities of the company, before the writing off of the usual \$100,000 from property and goodwill accounts, of \$573,232, against \$597,616 a year ago, and \$698,914 in the preceding period. Allowing for the increase in the common stock capitalization effected during the year, the year's results were equivalent to approximately 23.4 per cent. on the shares, compared to 28.5 per cent. last year, and 33.3 per cent. in 1918. After all deductions, which included payments to common shareholders of \$294,000 unchanged from the previous year, there remained a surplus of \$179,232 to carry into the accounts of the current year, bringing the balance remaining at the credit of profit and loss account up to \$1,161,647.

While profits were lower, the balance sheet of the company showed a decided strengthening in the position of the company. As will be seen from the following figures, the working capital was greatly increased:—

	1920.	1919.	1918.
Current assets	\$4,659,629	\$3,530,385	\$2,618,645
Current liabilities .	1,177,540	1,293,530	921,938
Working capital ..	3,481,089	2,236,855	1,696,707

Other principal changes in the balance sheet, are as follows:—

	1920.	1919.
Plant, etc.	\$3,130,558	\$3,145,558
Less depreciation	50,000	50,000
	\$3,080,558	\$3,095,558
Goodwill	400,000	450,000
Equipment	75,979	84,665
Wheat, flour, etc.	1,052,567	1,062,687
Total assets	8,139,187	7,375,944

Hollinger Consolidated Gold Mines, Ltd.—Notwithstanding fewer employees and lower tonnage per day, the company has made a higher profit so far this year, according to an interim report just issued. The improved position is stated to be due to the payment in New York funds for gold sold to the Ottawa mint, the premium being higher this year than in 1919. The interim statement covers the period from