CANADIAN LOCOMOTIVE COMPANY'S YEAR

Report Shows Profit and Loss Account Equal to Ten Per Cent. of Capital Stock

The manufacturing profits of the Canadian Locomotive Company for the year ended June 30th, 1913, amount to $377,043 as compared with $294,323 for 1912, being an increase of $82,720. The income from investment bonds was $19,842. The manufacturing profits and income from investments totals $396,886, which has been disposed as follows:—

Bond interest	$ 90,000.00
Preferred stock dividend	105,000.00
Adjustment of sundry accounts and loss on investment bonds sold	12,623.82
Transferred to reserve for depreciation	50,000.00
Transferred to reserve for special replacements	25,000.00
Balance to credit of profit and loss	114,262.20
	$396,886.02

Payment of Bond Interest.

The company held its annual meeting this week. As noted above, the 6 per cent. interest on the company's first mortgage sinking fund gold bonds was the first charge on the earnings, and this amounted to $90,000. Thus the bond interest was earned about four and one-half times over. The 7 per cent. preferred dividend was the next charge, and the net income was sufficient to pay this three times over after paying interest on bonds. The surplus, after deducting bond interest and preferred dividend, was $201,886.02, or 10 per cent. on the common stock. Of this the directors transferred $50,000 to reserve for depreciation and $25,000 to special replacement account and allowed for the adjustment of sundry accounts, after which there still remained a balance of $114,262.20. This was added to $96,148.30, already at the credit of profit and loss account, making a total now in that account of $210,410.50, equal to about 10½ per cent. on the common stock.

The reserve of $100,000, together with the $210,410.50 in profit and loss account, showed that the company had in two years of operation accumulated surplus profits of $310,410.50.

Extensions to Company's Plant.

The cost of the extensions to the company's plant has been met for the most part out of the sale of municipal debentures owned by the company as investments, the balance coming out of surplus earnings. The company, therefore, has not increased either its interest or fixed charges. The company has found difficulty in maintaining a maximum production while building operations were going on practically overhead. Greater efficiency will be obtained when the extensions are completed. During the year a block of workmen's houses was built which has to a great extent overcome the difficulty which existed of housing comfortably the company's employees.

The capacity of the plant is twelve locomotives per month, double the capacity of the plant two years ago. By the end of the present fiscal year, the capacity probably will have been raised to eighteen locomotives per month.

The directors and executive officers of the company are: Messrs. Æmilius Jarvis, Toronto, president; A. W. Wheatley, Kingston, vice-president; R. Hobson, Hamilton; James Redmond, Montreal; Warren Y. Soper, Ottawa; Frank G. Wallace, Pittsburg; and James L. Whiting, Kingston. Executive officers: A. W. Wheatley, Kingston, general manager; J. J. Harty, Kingston, secretary, and J. H. Birkett, Kingston, treasurer.

Much of the progress of the company is due to the energetic directorate, and especially to the work of the progressive general manager, Mr. A. W. Wheatley.

EXPENSE RESTRICTION OF LIABILITY BUSINESS

Superintendent of Insurance William T. Emmet, of New York, has issued a letter to all companies writing liability insurance in that State, more clearly defining the points raised in connection with his directions as to the limitation of expense and the proper methods of rating.

The Superintendent's letter adheres strictly to the directions contained in the original letter, but more clearly defines the department's position on some of the questions raised. He clearly states that all expense in connection with the production of business both in this State and throughout the entire country must be limited to 20 per cent. of the premiums, and that on classes of business where the total acquisition expense is under 20 per cent. the difference cannot be used in the production of other classes which already reach a 20 per cent. cost. As regards the regulation of the underwriting and rate making methods the Superintendent does not attempt to extend the regulation outside of the New York State business.

MINERAL PRODUCTION IN ONTARIO

Nickel Ore Outside Older Field—Production of Pig Iron Increasing

Ontario continues to maintain its reputation as a mineral producer. According to returns made to the Ontario Bureau of Mines, the production of the metalliferous mines and works of the province for the first six months of 1913 was as follows:—

	Quantity.	Value.	Increase over corresponding period 1912.
Gold, ounces	106,091	$2,171,147	$1,935,949
Silver, ounces	13,890,692	7,693,713	* 242,887
Copper, tons	5,873	832,645	96,176
Nickel, tons	12,104	2,514,414	347,519
Iron ore, tons	62,627	141,324	108,264
Pig iron, tons	369,450	5,051,840	1,109,202
Cobalt ore, tons	79	7,374	* 5,726
Cobalt oxide / Nickel oxide	404,060	186,347	

* Decrease.

Most of the gold came from Porcupine, the chief producers being the Hollinger and Dome mines, both of which have been steadily at work. Porcupine Crown and McIntyre Porcupine also contributed. The other gold camps yielded about $150,000, including Swastika and Lucky Cross at Swastika, Cordova in Hastings county, Canadian Exploration at Long Lake, Northern Gold Reefs at Sturgeon Lake, Goldfields, Limited, at Larder Lake, and Tough-Oakes at Kirkland Lake. The narrow veins in the last-named camp are proving to contain rich ore.

Treatment of Silver Ore.

The most productive mines for the half-year were the Nipissing, Coniagas, La Rose, Kerr Lake, McKinley-Darragh-Savage, Buffalo and Crown Reserve, all mines which have held a leading place for years. Cobalt Townsite, Casey-Cobalt, and Seneca Superior are coming into prominence as producers, while some properties, formerly in the first rank, are producing less. Shipments of ore were 3,216 tons, of concentrates 8,253 tons, and of bullion produced at the mines 2,792,311 ounces. The corresponding figures for the first six months of 1912 were: ore, 6,860 tons; concentrates, 4,806 tons, and bullion, 2,448,689 ounces, showing the progress being made towards complete treatment of the ore on the spot. Three mines in Gowganda and South Lorrain yielded 407,103 ounces.

Production of Pig Iron.

The production of pig iron in Ontario is growing rapidly. In 1902 it amounted to 112,687 tons; in 1907, 286,216 tons; in 1912 to 589,583 tons, and at the present rate of production, if maintained for the remainder of the present year, the output will be 738,900 tons. All the blast furnaces except the one at Port Arthur were in blast during the six months.

FARMERS BANK SILVER MINE.

The cutting of another high-grade vein, six inches in width, is reported from the Keeley prospect in the Cobalt district. This is the property in which the defunct Farmers Bank was interested.

The prospecting operations so far carried out by the British company, which, on Dr. J. M. Bell's technical advice, re-opened the property under a working option this year, have been attended with successful results, says the Cobalt Nugget. Two months after commencing operations a 2½-inch high-grade vein was cut in a cross-cut projected north-east from the 61 foot level of No. 1 shaft. Drifting on this shoot was proceeding when the new and comparatively wide high-grade cross-vein was intersected. The grade of ore appears to be similar to that obtained from the 2½-inch vein which had a silver-content of 6,467 ounces per ton. In the cross-vein, which is strong and well-defined, high-grade ore up to 10 inches in width has been exposed. The enclosing-rock is keewatin, and the geology of the neighborhood is similar to that in the vicinity of the Timiskaming mine.

The British company holding the option is the Associated Gold Mines of Western Australia, Limited, (London, England), on behalf of which Dr. Bell has control in Canada. Mr. N. J. Evered, formerly one of the managers of the Waihi Gold Mines (New Zealand), is general manager at the Keeley, Mr. P. Clarke being attorney.

The Keeley is the pioneer property of the South Lorrain district. It was discovered by a group of three Haileybury men, and it was being actively worked some time before the Wettlaufer was opened up. It has an extremely good surface equipment, but little underground work was done.