INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends and Future Plans

British Canadian Canners Company.—The five new factories of the British Canadian Canners Company in Ontario started operations yesterday. The season's output was contracted for some time ago.

Nipissing Mines Company.—The position of the Nipissing Mines Company on July 6th showed a surplus of $1,525,898, of which $1,173,000 was in cash. Half of the low-grade mill, to cost $275,000, has already been paid for by the earnings.

Richelieu and Ontario Navigation Company.—Negotiations are being made, it is reported, between the owner of Round Island, in the Thousand Islands, and the Richelieu and Ontario Navigation Company for the purchase of the island by the company for the purpose of building a large modern summer hotel on it.

Monarch Knitting Company.—A dividend at the rate of 7 per cent. per annum has been declared on the preferred shares of the Monarch Knitting Company, Limited, for two and a half months ending July 31st, 1912. The dividend is payable August 1st to shareholders of record July 20th.

Canada and Foundries and Forgings.—The directors of the Canada Foundries and Forgings, Limited, have started the second half year of their existence by the declaration of a dividend of 3½ per cent. on the preferred stock for the first half of 1912. The dividend is payable on the 15th inst. to shareholders of record of June 30th. Mr. W. M. Weir, of the financial firm of J. A. Mackay & Company, has been elected a director of the company.

British Columbia Permanent Loan Company.—This company has just declared a half-yearly dividend at the rate of 10 per cent. per annum. During the past six months loans have increased from $2,917,544 to $3,057,671, sterling debentures from $734,947 to $805,892, and deposits from $512,969 to $670,491. The assets now stand at $3,827,714, an increase over the figures of December, 1911, of $274,285. Building activity throughout the West ensures a steady demand for the company's funds.

Canada North-West Land Company.—The sales of farming land of the Canada North-West Land Company, Limited, for the month of June, 1912, were 5,187 acres for $81,591.76, against the 5,156.51 acres sold during the same month last year for $80,884.12, a decrease in receipts of $707.64. From January 1st to June 30th last year 21,065.92 acres were sold for $283,565.18. This year 24,381.85 acres were disposed of for $345,566.89, an increase of $62,001.71.

Hudson Bay Company.—A London cable stated that at a meeting of the Hudson Bay Company resolutions were passed authorizing the acceptance of the new charter and an increase in the company's capital by the creation of 200,000 new preference shares of £5 each. Lord Strathcona, who presided at the meeting, said that the object of the new issue of capital was to provide funds to meet the present needs of the company in extending its general business. The shares would be allotted to shareholders in the proportion of two shares of £5 each for every ordinary share of £10 par value.

Granby Consolidated Mines.—For the first six months of its current fiscal year the Granby Consolidated output totalled 11,015,684 pounds of copper. Operations for full fiscal year will not make such a satisfactory showing as was expected, however, owing to the coal strike. The company's production for the year will only be in the vicinity of 13,000,000 pounds, as compared with 18,000,000 pounds in the preceding twelve months.

The two specific elements which have been favoring Granby during the first six months of current year have been steadily increased prices received for copper and lowering its cost of production to a point where it is now under ten cents a pound. This has resulted in monthly net earnings of between $130,000 and $140,000.

Dominion Bank.—For the six months ending June 29th the financial statement of the Dominion Bank shows the following changes, as compared with the statement for the same period last year: Profits for the six months, $405,063.33, are $72,000 greater than for the corresponding period of 1911. Circulation during the past twelve months has expanded over $1,000,000. Deposits have increased $5,500,000. The cash assets on the 29th of June, 1912, amounted to $14,100,000, and the quick assets to about $28,000,000—an increase of $2,000,000. Current advances have increased $6,400,000, indicating a steady growth in the general business of the bank. Total assets on the 29th of June were $72,695,000, an increase of approximately $9,000,000 during the twelve months ending on that date.

Detroit United.—The London Statist, in a recent article analyzing the position of Detroit United, remarked that "should the whole of the franchises in the city be taken from the company, a course which naturally it would be impossible to carry out, the earnings of the remaining part of the system would still be sufficient to provide for the bond interest, and, even if the city should refuse to renew any of the expiring franchises, there would appear sufficient property to protect bondholders. Until the untoward effect of politics is removed, the future is, of course, of a very doubtful nature. It may be that the company will have to continue to fight for its rights, or it is possible that a little more common sense will convince the city authorities of the folly of their attacks and the impossibility of any good resulting, so that a satisfactory agreement may be reached which shall bring an end to the dispute and place the whole system on a proper basis, whereby the rights of the company will be preserved and the needs of the citizens be met to the advantage of all concerned."

Dominion Sawmills and Lumber Company.—Much interest was awakened by the announcement of the particulars of a drastic scheme for the reconstruction of Dominion Sawmills and Lumber Company, says "Windermere" in a cable to the Montreal Star, a British Columbian Company floated with a great flourish of trumpets less than two years ago, Lord Desborough being among the directors.

Each holder of 6 per cent. first mortgage debentures receives the same amount of 5 per cent. debenture stock in the new company and three fully paid $1 shares for each £20 of present holding. Interest on the new debenture stock is to be payable only out of profits during the next five years, but constitutes a fixed annual charge. Thereafter preference shareholders receive 6 per cent. income debenture stock for an equal amount and $4 for each $100 of present holdings.

Ordinary shares are to be whittled down from $100 to six shares of $1. Debenture stock of the old company, which in 1910 was hoisted to 98⅞, dropped at one time this year to 36 and is now quoted at 42-52.

In view of the large number of new English companies operating in Canada, the following paragraph in the report of the Dominion Sawmills directors has especial interest: "Experience has satisfied directors that it is essential that the management of a business of this character should be located in Canada. It is quite impossible for a board in London to keep in sufficiently close touch with the business to exercise any real control; therefore, it is proposed that the new company be incorporated with the entire new board resident in Canada, a small London committee being appointed, but the management to be vested in the board resident in Canada."

Montreal Water and Power Company.—The gross earnings of the company from the sale of water continue to show a satisfactory increase, the total for the year being $506,504.13, as against a total of $432,150.87 for the preceding year, an increase of $74,353.26, or over 17 per cent.

In the report of last year an estimate was made that, should the yearly increase maintain an average of only 10 per cent., the gross earnings might reach a total of $750,000 in five years, and $1,000,000 in eight years. As the increase for the past year has been so much in excess of 10 per cent. it is reasonably certain that the estimate above given is well within the mark.

A reference to the profit and loss account shows that, after providing all operating expenses, including all cost of repairs, full maintenance charges and all general and level expenses, amounting to $228,900.30, the gross profit for the year amounted to $277,603.83. From the profits of $32,822.26, brought forward from last year, there was paid a dividend on the income securities of the company, leaving $5,957.35 to be added to the $277,603.83 gross profits of this year (or a total of $283,561.18). Out of this latter sum, $132,575.02, being the net cost on operating account of interest charges, was paid, leaving a net profit of $150,986.16.

This balance was employed in further strengthening the various reserves of the company, as follows, viz.: $32,912.20 was set aside to provide the year's proportion of the premium due at maturity on the outstanding bonds of the company and in meeting the year's proportion of the discount, etc., on the prior lien bond issue. The sum of $20,000 was provided for meeting possible bad debts, $65,000 was added to the general reserve account for depreciation, etc., and $1,897.22 for meeting special depreciation. This still leaves a balance of $31,176.74 to be carried forward, out of which it is proposed to make a further distribution to the income security holders of the company. The cash on hand at the end of the year was $224,293.37, besides convertible securities to the amount of $154,922.05.