STEEL COMPANIES PROSPEROUS

The net earnings of the Dominion Steel Corporation for the year ending March 31 last, were \$12,967,874 or 26.71 per cent. on the common stock of \$32,097,700. These compare with earnings for the previous year of \$7,004,361 or 9.39 per cent. of the common stock or an increase of 85 per cent. over 1915-16 which was a record breaking year at the time. As compared with the year 1912-13 the record pre-war year, the increase was \$8,253,827, or approximately 180 per cent.

Active business at unusual profits has worked a striking change in the company's financial position. Current and working assets at the end of the year were \$15,446,396, and included \$4,858,167 in cash and \$1,085,671 in war loans. The only current liabilities to set against them were \$1,572,530 in ordinary trade accounts payable, wages, etc.; \$246,731 for interest accrued on bonds, and \$495,977 for dividends declared, payable after the close of the company's year—a total in all of \$2,315,238. The proportion of current assets to current liabilities, which was 4 to 1 a year before, had risen to 7 to 1.

Current assets of \$15,446,396 compare with \$9,318,579 a year ago, and \$8,495,363 two years ago, while current liabilities are down to \$2,315,238, against \$2,366,833 a year ago and \$4,222,082 two years ago. That is, working capital is shown at \$13,131,158, against \$6,951,746 a year ago and \$4,723,281 two years ago.

This sweeping improvement, it is also to be noted, has been effected in addition to the improvement resulting from the paying off of about \$3,500,000 notes and bonds. Earnings have not only been large, but have been converted into cash very rapidly.

The Nova Scotia Steel and Coal Company's directors have made provision for the resumption of cash dividends on the common stock, a new issue of common shares at par; and a stock bonus in which the holders of old stock and also of the new issue will participate. Dividends of 2½ per cent. for the first half of the current year will be paid. Shareholders will be offered \$5,000,000 new stock at par and next November a stock bonus of 20 per cent. will be distributed to stock holders. This will raise the issued common stock to \$15,000,000 the full authorized amount and twice what it is at present.

A news report from Boston indicated a rumor that Nova Scotia Steel Company would erect a modern mill at tide water in the United States from which it could turn out steel in competition with the big American corporations. At the meeting of the directors, however, it was stated that the future expansion of the company's operations would be confined to Newfoundland and Canada.

At the meeting of the Canadian Manufacturers in Winnipeg, Col. Cantley, the retiring president of the company stated that the reason Canada was not turning out plate of the widths required in some Canadian industries was that they had not asked for protection on the plate except up to certain sizes. The earnings of the companies would indicate that they are financially able to manufacture in competition with American companies if they were so inclined. In the past Canada has paid out bonuses amounting to \$17,000,000 to the steel interests. Now that they have reached the stage where they are paying huge dividends on their stock, water and all, besides cutting melons, the time is opportune for the government to step in and see that some of the people's money is paid back.

In arguing the case of the Ontario farmer before the Railway Commission in opposition to the proposed increase of 15 per cent. in freight rates, the solicitor for the United Farmers of Ontario pointed out that the increase would mean practically a gift of \$18,500,000 to the C.P.R. on the basis of the Ackworth-Smith report. The C.N.R. would get \$5,321,000 and the G.T.R. \$5,873,256. It would mean the addition of \$31,000,000 to the cost of production, and farm produce comprised 1-5 of all the freight carried by the railways in 1913. Not only this, but farmers are large consumers and have to pay all the costs of manufacture and transportation when they buy an article.