

INVESTMENTS AND THE MARKET

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Canadian Car and Foundry Co.—At the meeting of the company last week the executive of the enterprise underwent reorganization, and the personell is now as follows: W. W. Butler, president of the Car company; W. H. Woodin, president of the American Car and Foundry Co. and a member of the board of the American Locomotive Co., chairman of the committee; Francis H. Clergue, to whose efforts were largely due the affiliation of the Canadian and United States interests; H. W. Beauclerk and Senator C. P. Beaubien.

Under the new reorganization Mr. Butler and his associates on the executive will have the benefit of the direct influence and assistance of the American Car and Foundry and American Locomotive companies in their efforts to extend the export field of the Canadian enterprise.

Mr. Woodin announced this week that the American Car Co. had also purchased a substantial interest in common and preferred stock of the Canadian company, and that he had been elected chairman of the executive.

Toronto Street Railway.—The following are the principal figures from the financial report of the company for the year 1919:—

	1919.	Increase.
Number of fares	180,000,000	13,500,000
Passenger revenue	\$7,175,000	\$650,000
Payments to city	1,396,000	95,000
Bonded debt reduced	227,000	
Note obligatioin reduced..	340,000	

The company's bonded indebtedness now stands at slightly over \$2,500,000, and at the rate it is being paid off will be about \$2,050,000 when the franchise expires. The million dollars' worth of short-term gold notes which in 1918 replaced the million and a half then outstanding are, if possible, to be entirely wiped off before the franchise expires, so that the company's liabilities in September of 1921 will include:—

Capital stock	\$12,000,000
Bonds	2,050,000
Mortgage	70,000

and whatever deficit may have accrued on operating account between now and then.

The year 1919 was the biggest in the company's history, so far as business and revenue are concerned.

Winnipeg Electric Railway Co.—The case of the city of Winnipeg vs. the Winnipeg Electric Railway Co. in regard to the increased fares has been carried to court. The city is seeking an injunction to restrain the company from collecting the increased fares, as ordered by the Public Utilities Commissioner, P. A. Macdonald. T. Hunt, K.C., representing the city, argued that the Public Utilities Commission had no power to authorize a raise in fares, and that the whole Public Utilities Act is unconstitutional. The argument, it is understood, is based in part on the judgment of the Manitoba court, reported in these columns last week, declaring the provincial Workmen's Compensation Board to be without judicial authority.

An increase of \$633,000 in the receipts of the Winnipeg Electric Railway for 1919 over the receipts for 1918 was reported to the city finance committee. The report which, under the charter, must be submitted yearly, showed that the total earnings of the company were \$2,796,703.09. Five per cent. of this was to be paid to the city on February 1st. The city's share will be \$139,825, instead of \$106,000, as was estimated. This includes \$39,000 tax on the cars.

Receipts fell to almost nothing during the strike period, and it was estimated by H. C. Thompson, city treasurer, that if the receipts for these months had been normal, the company's earnings would have been over \$900,000 more than in 1918. T. Hunt, city solicitor, estimated at the beginning of the year that the company's increase following the new

fares would be \$1,000,000. Cars in use by the company number 328, according to the report.

Carriage Factories, Ltd.—Although figures from the financial statement of the company for the year ended July 31st last show a loss, Mr. James Tudhope, president, points out that the situation is not as bad as seems indicated. The loss for the twelve months, after providing for depreciation and bond interest, amounted to \$88,926. This was due to the fact that \$245,367 was deducted to cover adjustments. The company has been practically reorganized under the general managership of Mr. H. Tudhope, of Orillia, and the shareholders have approved the transfer of the head office from the city to that town. In this one item alone \$40,000 will be saved annually in administration charges. The company's assets total \$4,153,970, including \$556,246 in accounts receivable, \$965,567 in raw materials, \$947,933 in fixed assets as per appraisal, and \$1,360,981 in goodwill.

The company has orders on the books aggregating \$2,750,000, but, as the firms for which the work is being done are obliged to provide a portion of the materials, the net costs to Carriage Factories will not reach nearly that figure. Practically only labor and lumber are involved in the charges upon Carriage Factories. President Tudhope says that the company, which formerly turned out between sixty and seventy classes of vehicles, is now centring its efforts upon fifteen or twenty, with a consequent saving in operations. Efforts are being made to branch out into subsidiary lines, such as are involved in the making of parts for automobiles, and it is hoped that the work for this kindred industry will prove immensely profitable in years to come.

Canadian Collieries, Ltd.—A circular will be issued to holders of the 5 per cent. first mortgage gold bonds of the company by the bondholders' committee, setting forth a scheme of reconstruction. As part of the arrangement made in 1915, a bondholders' committee was appointed, and the control of the committee was placed in their hands through deposit of a majority of the shares in a voting trust in their favor. During the war the company's earnings have not sufficed to provide any interest on the bonds. During the first part of the war the company was actually working at a loss, owing to the falling off in the bunker trade on the Pacific Coast. In the latter part of the war the bunker trade revived, and the company was able to make a better showing, but the scarcity of labor and its abnormally high cost both reduced the company's output and continued to keep the margin of working profit down to a low figure, while the depreciation of the plant and the upkeep of the mines absorbed considerable sums, leaving no surplus available for interest on the bonds. Although results have been better recently, the outlook for the company must remain uncertain for some time to come. While the company has very large coal areas available for exploitation, the cost of obtaining the coal is exceedingly high, and the market for it is fluctuating, both as to demand and price.

The committee has prepared, after careful consideration, a plan for the reorganization of the capital of the company, the principal features of which are as follows: The capital will be reorganized by cancelling the whole (£2,054,000) of the first mortgage gold bonds and all arrears of interest, the second mortgage debenture stock, and the three-year notes and \$3,500,000 of the \$5,000,000 preferred stock, and \$9,900,000 of the \$10,000,000 common stock, and by creating £1,027,000 5 per cent. non-cumulative "A" income debenture stock, £1,027,000 5 per cent. non-cumulative "B" income debenture stock, \$3,400,000 new preferred stock, and \$1,027,000 new common stock. The holders of the present bonds will receive in place of each £100 of bonds now held £50 "A" debenture stock, £50 "B" debenture stock, \$100 preferred stock and \$50 common stock, and so in proportion for amounts less than £100. The holders of the £50,000 three-year notes issued (for which the second mortgage debenture stock is held as collateral security) will receive \$250,000 of the preferred stock, leaving \$1,096,000 preferred stock unissued.