INVESTMENTS AND THE MARKET

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

Steel Company of Canada.—The London, England, branch of the Dominion Bank, 73 Cornhill, are desirous of purchasing a limited number of the Steel Company's 6 per cent. short-term notes.

Hewsons Woolen Mills, Limited.—The balance of funds received from sale of the company's property is to be divided amongst the bondholders pro rata, and bondholders are required to deposit their bonds with the Eastern Trust Company, Halifax.

Canadian Consolidated Felt Company.—The company reported a deficit of $48,965 for the year 1915, in the financial statement.

Net sales for the year were $503,664, and the cost of goods sold $480,166, leaving a margin of only $23,494. Selling expenses took $7,162, reducing the operating profit to $16,332. Other income brought the gross up to $19,011. After bond interest there was a net deficit for the period of $48,965, which reduced the surplus to $131,544.

Mr. A. J. Kimmell, president of the company, has resigned, and Mr. T. H. Pieder, vice-president and general manager of the Canadian Consolidated Rubber Company has been elected.

Winnipeg Electric Railway Company.—A letter has been sent to the shareholders by Mr. T. Morton Moore, secretary-treasurer of the company, stating that owing to the financial situation the practice of declaring a quarterly dividend has been discontinued for the present. In this connection the business of the company is showing an improvement and for the current quarter the net earnings have been sufficient to provide for all accrued fixed charges and also a sum that would have been sufficient to enable the company to declare a moderate dividend for this quarter. The directors feel that at this time, in order to conserve the company's interest, a dividend should not be declared payable for the present quarter and that the matter of further dividends for the year will be considered and dealt with at a later date.

National Steel Car Company.—The company's earnings for the year ending November 30th, 1915, were $737,871, which compares with a deficit of $6,680 in 1914, and earnings of $243,228 shown in the first annual report in 1913.

After an allowance for $163,651 for repairs and renewals, and writing off plant and equipment an amount of $127,500, the net profits for the year are shown at $446,719. The directors state that the amount provided for depreciation not only covered ordinary charges, but a special writing off on the cost value of machine tools and equipment purchased for making ammunition.

The company has orders on its books amounting to approximately $10,000,000, and on this account the board has already made arrangements for special financing. The company's assets are $5,166,274 as compared with $3,837,514 in 1914.

A. Macdonald Company, Limited.—The financial statement of the A. Macdonald Company, Limited, shows net earnings of $154,540 for the year ending December 31st, 1915. This exceeded by $30,864 the dividend requirements on the outstanding preferred shares, but the directors consider it unwise to make further dividend disbursements until provision has been made for remaining intangible assets and $200,000 of mortgage notes. Profits were appropriated as follows: $50,000 added to reserve against Dominion Bond Company's debt, increasing reserve to $125,000, as against debt of $184,379; $53,004 added to special reserve account, increasing it to $146,873; $30,809 credited to deferred charges and organization expenses, as against $65,809 shown in assets; $20,727 balance, set up as reserve for possible losses on outstandings.

The company's liabilities are $271,394 less than at the end of the previous year, while mortgage notes are reduced to $200,000, maturing November 1st, which will be retired.

The directors recommend that authority be obtained for a reduction of $2,000,000 in the item, good-will, $3,000,000 in the company's assets, and a corresponding reduction in the outstanding common shares. This would make the par value of the shares 33⅓, as against the issue price of 55 when the company was formed, and compares with the present market value of 18 to 19.

Canadian Consolidated Rubber Company.—Sales totalling $7,522,147 were made by the company during 1915, an increase of $1,276,329 over 1914, and a net profit available for dividends of $534,978, an increase of $94,655, or 21.5 per cent. After the payment of dividends on the preferred stock, a net surplus of $342,854 remained, which is equal to earnings at the rate of 12.2 per cent. on the common stock, as compared with 10.8 in 1914. Dividends on the common having been discontinued in the last quarter of 1914, the surplus after preferred dividends were carried forward, brought the total surplus up to $2,690,298.

The balance sheet compares with that of 1914 as follows:—

Assets.

	1915.	1914.
Plants, etc.	$5,607,514	$5,452,122
Inventories	3,432,745	2,939,429
Cash	71,180	57,363
Accounts receivable	1,490,492	1,110,418
Investments, etc.	4,218,056	4,404,904
Miscellaneous	276,675	163,856
Total	$15,096,664	$14,128,095

Liabilities.

	1915.	1914.
Stock, preferred	$3,000,000	$1,980,000
Stock, common	2,805,500	2,805,500
Bonds	2,597,000	2,600,000
Debentures	2,500,000	....
Bills payable	871,297	3,914,634
Accounts payable	460,487	375,479
Reserve	172,081	105,217
Surplus	2,690,298	2,347,263
Total	$15,096,664	$14,128,095

MONEY MARKETS

Messrs. Glazebrook & Cronyn, exchange and bond brokers, Toronto, report exchange rates as follows:—

	Buyers.	Sellers.	Counter.
N.Y. funds	3/8 pm	3/8 pm	5/8 pm
Mont. funds	Par	Par	1/8 to 1/4
Sterling—			
Demand	4.78 1/8	4.78 3/8	4.80
Cable transfers	4.78 5/8	4.78 7/8	4.81

Sterling demand in New York, 4.76 7-16.

Bank of England rate, 5 per cent.

BRITISH COLUMBIA BOND OFFERING

An attractive offering of British Columbia government 4½ per cent. gold bonds is being made by Messrs. Macneill and Young, of Toronto. The block, which is one of $1,000,000, is offered to investors at 87.73 and accrued interest, yielding 5.40 per cent. The bonds are issued by the Agricultural Credit Commission of the province, which is a permanent provincial body, that is to say, a public board exercising State functions, and are guaranteed unconditionally both as to principal and interest by the province. "The proceeds derived from the sale of the bonds," say Messrs. Macneill and Young, "will not be expended in non-revenue producing works, but instead will be simply invested in first mortgages on good farm properties. Inasmuch as these mortgages will be held in escrow by the Yorkshire and Canadian Trust Company, Limited, Victoria, as security for the bonds, and in view of the fact that altogether apart from this the bonds are guaranteed by the province and constitute a liability thereof, and are payable, if necessary, out of the general consolidated revenue of the province, we regard them as being an obligation superior in security to other provincial bonds."