

INVESTMENTS AND THE MARKET

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

While the gross earnings of the Toronto Railway Company last year showed a gain, the net earnings were substantially decreased. Higher operating costs were the cause, the company having had to meet a higher scale of wages and at the same time an advance in the prices of all classes of materials. The decrease in net earnings would have been still larger had it not been that the company was called on to pay the high scale of wages for only a portion of the year, but the company will have to meet them, however, during the entire period of the new fiscal year. The wage increase is apparently making such deep inroads in the earnings of the company that the directors refer particularly to it in their report, and point out that the Toronto Railway is now paying a higher scale than is paid for similar work in United States and Canadian cities. The majority award of the Arbitration Commission gave the men 37 cents an hour, maximum rate. Owing to the scarcity of labor and war conditions, the directors reluctantly decided that they had no other course than to accept the award, although it meant an increase in operating expenses of about \$600,000 per annum. The directors felt that the award was not warranted by weight of evidence submitted to the Board of Arbitration; that it was not justified by a comparison with the rate of wages paid for similar work in United States cities, and was not warranted by the earnings of the company, and that it was essentially unjust to the shareholders.

The gross earnings for the year amounted to \$6,291,759, compared with \$5,973,161 in the previous year, a gain of \$318,597; operating expenses required \$3,815,277, as compared with \$3,350,657, an increase for the year of \$464,619. This resulted in net earnings of \$2,476,481 down from \$2,622,503 in the previous year, a decrease of \$146,022. From the net earnings the following appropriations were made: Payments to the city of Toronto, percentage on earnings, \$970,512.41; pavement charges, \$98,840.80; general taxes, \$117,678.11, a total of \$1,187,031. The company's fixed charges in the way of bond interest, etc., required \$146,887, and dividends \$960,000, making a total of \$1,106,887. These disbursements made a total of \$2,293,918, and left a surplus to be carried forward for the year of \$134,809.87. The accumulated surplus carried forward from previous years amounted to \$5,408,873, and when the surplus for 1917 was added to it the company carried forward a total surplus of \$5,543,683. The gross passenger earnings show an increase of over \$315,000, compared with the previous year. The percentage of charges, etc., to passenger earnings amounted to 61.5 per cent. up from 57 per cent. in the previous year, an increase of 4.5 per cent. The payments made to the city of Toronto totalled \$1,187,031, representing an increase for the year of \$74,021.57. The total payments being made to the city are now over \$80,000 above the company's bond interest charges, and total disbursements to shareholders.

The seventh drawing of the company's currency and sterling bonds, under the terms of the mortgage deed, dated September 1st, 1892, took place on June 1st. Under said terms the company draws annually during the last ten years of its franchise, 5 per cent. of the amount of bonds issued, thus reducing during the ten years mentioned to 50 per cent. of the original issue, and all bonds so drawn are to be redeemed on and after August 31st, following the date of drawing. There has been drawn to date a total of \$1,592,519.

Dominion Bridge Company.—The minimum price on Dominion Bridge has been reduced to 123, compared with the minimum of 128 placed on that issue in October last. This action is the result of the decision of the directors of Dominion Bridge Company to reduce the dividend from 10 to 8 per cent.

Riordon Pulp and Paper Company, Limited.—A quarterly dividend of 1½ per cent. at the rate of 6 per cent. per annum, and a bonus dividend of 1 per cent., has been declared on the common stock of the company for the fourth quarter of the year 1917 payable February 15th, 1918, to shareholders of record at the close of business on February 11th, 1918.

Ontario Power Company.—The Bank of Montreal has advanced \$250,000 to the Ontario Power Company of Niagara

Falls. Proceeds will be used in part to construct a pipe line and to install turbines and generators in the plant at Niagara Falls, costing \$1,800,000. The remainder of the amount needed will be financed out of the surplus. The company expects to pay the money borrowed in two years.

Adanac Silver Mines Company.—The annual meeting of shareholders will be held on Thursday, February 14, at noon, and for the same day and hour a special general meeting will be called for the purpose of ratifying a by-law providing for an increase in the authorized capital from \$2,500,000 to \$3,000,000. Arrangements have already been made for the sale of a block of the new stock to provide funds to carry on development for at least nine months.

Ottawa Traction Company.—At the annual meeting of the company at Ottawa, gross earnings of \$1,240,627 were reported. The operating expenses and maintenance amounted to \$705,338, leaving net earnings of \$535,289. The increase in net over 1916 was \$50,724. During the year 29,347,692 passengers were carried compared with 27,033,778 in 1916, an increase of 2,313,914. The balance at credit of profit and loss account is now \$267,590. The usual quarterly dividends of 3 per cent. were paid throughout the year and a bonus of 3 per cent.; also the business war tax \$40,615 and \$110,000 set aside for depreciation. Three new P.A.Y.E. cars were put in service during the year, an improvement which cost about \$50,000.

Canada Steamships Lines.—The St. Lawrence River boats of the company will be assured of sufficient supply of coal through a contract signed with a new corporation organized by Canadian financiers. Ogdensburg despatches state that a Canadian shipping syndicate has purchased control of the Ogdensburg Coal and Towing Company. Two corporations will be formed, one capitalized at \$200,000, to continue business at Ogdensburg, and the other will be capitalized at \$1,000,000 with head office in Montreal. W. L. MacDougald, of Montreal, has been appointed president and general manager of both companies. It has been arranged to supply fuel to vessels of the Canada Steamships Lines plying on the St. Lawrence route.

Abitibi Power and Pulp Company.—The annual general meeting of the company will be held in Montreal, February 11th, and immediately following a special general meeting will be held for the purpose of considering and, if deemed advisable, approving of by-law XIX. cancelling the preference and privileges of unissued \$1,000,000 of the capital stock of the company. The report of the production of the company for the last three months of 1917 is as follows: Paper 16,736 tons; ground wood pulp, 7,057 tons, sulphite pulp, 2,515 tons. According to the general manager, H. Wilson, this output is about the same for paper as in 1916, but the production of pulp is nearly double that of the previous year, as during 1917 the capacity for pulp making was doubled and the mills are running well up to capacity. It is expected that for the next three months there will be a falling off in the production of pulp, but that the paper production will remain about the same. The mills have been exporting most of their output to the United States.

Howard-Smith Paper Mills.—The company, which brought its fiscal year to a close on December 31st last, had a most successful year. During the 12 months the production at the Beauharnois plant was very considerably increased. The company is now making at that point a high quality of tub sized and loft dried bond papers, and has succeeded in establishing its brands generally throughout Canada. It has been able to stop the importation of these papers to a very large extent. The company has also been successful in working up some export business, which it is believed will increase. The mill at Crabtrees, Que., has been rebuilt, and to it has been added a new beater room and finishing room. There is being constructed in this connection a new dam, and there is being installed a hydraulic turbine. It is expected to have