

# INVESTMENTS AND THE MARKET

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

**United Drug Company.**—Reports of the company for six months ended June 30th last, show profits of \$7,840,680. Other income amounted to \$20,312, net profits \$2,038,831, and the surplus, \$1,719,167.

**Great Western Power Company.**—The company had gross earnings of \$409,299 in July, an increase of \$88,340 over the same month last year. The total net income of \$245,506 was \$36,918 larger than a year before.

**Canadian Locomotive Company.**—The company's regular quarterly dividends have been declared of 1½ per cent. on the common stock, and 1¾ per cent. on the preferred, both payable October 1st, to holders of record September 20th.

**Trustees Executors and Agency Company, Limited.**—This Australian company, whose head office is in Melbourne, had a net profit of £7,177 for the half-year ended June 30th, 1918. This was appropriated as follows:—

Dividend at 10 per cent. per annum ..... £4,500  
Transfer to reserve fund ..... 2,500

£2,000

Carried forward ..... 177

Reserves now total £219,646, and trust funds £12,250,000.

**Inspiration Consolidated Copper Company.**—The company produced 9,000,000 pounds of copper in August, the same amount as in July. In June the output was 10,300,000 pounds, and in May 10,250,000 pounds. While July and August showed a falling-off from the two preceding months, due to labor conditions, the production should be considered satisfactory when compared with a year before. The mines were totally closed down during July and August last year, because of a strike, and the average monthly output in the remaining months was not much more than 3,000,000 pounds.

**Riordan Pulp and Paper Company.**—At a special meeting of the shareholders of the company, the proposal to issue \$3,000,000 in bonds was unanimously agreed upon. The issue of the new securities is made desirable by the company's interest in the Kipawa Fibre Company, which has purchased water powers and timber rights, and is carrying out the erection of a mill at Temiskaming for the manufacture of bleached sulphite pulp. In addition to the investment made by the company to secure permanent control of Kipawa Fibre, it was considered desirable to secure a further sum of approximately \$3,000,000 for investment in the new company.

**McKinley-Darragh Mines.**—Increasing interest in the shares of Cobalt producers, has directed attention to the strong financial position of this company, which will enable it to continue the payment of 3 per cent. quarterly dividends, which have been maintained since 1914. A total of \$5,348,504 has been disbursed in dividends since 1907. As of March 25, 1918, the surplus was \$287,615, or more than sufficient for one year's dividends at the present rate. Reports indicate that high-grade ore is being encountered by the company from time to time during mining and development work, particularly in the Savage property.

**Brazilian Traction, Light and Power Company.**—The annual meeting of the company was held at the head office in Toronto on September 5th. Business was largely of a routine character, and the old directors were all re-elected. The president in his address to the shareholders intimated that the outlook for the company was good, he being particularly hopeful regarding conditions likely to obtain after the close of the war. In referring to the adverse conditions under which the company were operating owing to the outbreak of the war, he pointed out that whereas before the war coal could be laid down for the operation of the gas plant at \$7.50, the freight alone last year cost \$37 per ton. Generally speaking, the operating costs of the company had increased by about \$1,000,000. The assets of the company improved by \$4,800,000 during the year.

The president explained that expenditure on capital account was practically for the time being finished. The outlook for the telephone subsidiary of the company, he said,

was excellent. The company has now 600 miles of trunk line in operation, and within six weeks after putting the three systems in operation the demand for service had become so great as to create a congestion. The gross earnings of the telephone system increased by 26 per cent. and the net by 32 per cent.

**Spanish River Pulp and Paper Mills, Limited.**—The annual statement of profits for the year ended June 30th, 1918, is as follows:—

|                                                         | 1918.       | 1917.       |
|---------------------------------------------------------|-------------|-------------|
| Net revenue .....                                       | \$1,729,231 | \$2,117,734 |
| Less: reserved for depreciation .....                   | 344,137     | 269,821     |
|                                                         | \$1,385,094 | \$1,847,913 |
| Less interest on funded debts, etc. ...                 | 807,519     | 718,409     |
| Total net surplus .....                                 | \$ 577,575  | \$1,129,504 |
| Balance consolidated profit and loss..                  | 993,726     | 699,621     |
| Appropriated for extinction of deficiency account ..... | \$ 500,000  | \$ 835,399  |
| Carried forward .....                                   | \$1,071,301 | \$ 993,726  |

The decline in net profits as compared with 1917 is accounted for mainly by the fixed price for newsprint established by the Dominion government. The plant of the company is devoted almost entirely to manufacturing newsprint, and it was, therefore, affected by the price fixing to a greater extent than were other paper companies who manufacture a number of lines. Nevertheless, the year was quite successful in every way. Interest was paid on the debt and other obligations and in addition to this one-half million was appropriated to wipe up the deficiency account. The balance carried forward is considerably more than one year ago. A number of improvements were made during the year. It had been expected that this could be made out of profits, but after the price of newsprint was fixed it was found necessary to secure additional accommodation from the banks for the purpose. Current liabilities accordingly increased. The assets of the company are now valued at \$31,708,701.

**Lake Shore Mining Company.**—During the month of August the company produced between 45 and 50 thousand dollars' worth of gold. This is the best month's production in the history of the company, which commenced milling operations in March last. The estimated tonnage treated during the month was 1,800 tons. The monthly production has shown a steady increase from month to month since March last, with the exception of the month of July, when, owing to the mill being shut down for a few days for repairs the output fell off a few thousand dollars to \$39,000. The production for the month of August shows both an increase in tonnage and value produced as well as an increase in value per ton treated, the heads running slightly over \$26 to the ton. The following is the record of the company since the commencement of milling operations:—

| Month.                   | Tons. | Value.       |
|--------------------------|-------|--------------|
| March .....              | 1,050 | \$ 24,606.50 |
| April .....              | 1,520 | 42,090.00    |
| May .....                | 1,750 | 43,000.00    |
| June .....               | 1,761 | 43,353.36    |
| July .....               | 1,580 | 39,000.00    |
| August (estimated) ..... | 1,800 | 48,000.00    |
| Totals .....             | 9,461 | \$240,049.92 |

This is an excellent record for the first six months' operations of the mine. The grade of ore throughout the six months shows an average of \$25.22 to the ton. Last month the company went on a dividend paying basis, and it is probable, disbursements of 2½ per cent. will be made at regular quarterly intervals. Net earnings of the company are now considerably in excess of dividend requirements at this rate and a substantial margin is being carried forward to surplus each month.

Ore reserves are being added to at a rapid rate, owing to the fact that the larger portion of the ore being treated is coming from development work.