INVESTMENTS AND THE MARKET

Uncertain Week on Stock Exchanges—Signing of Peace Should Bring Firmer Condition

THE stocks which have featured the exchanges during the past week have been Brazilian common, Spanish River common and Steel Co. of Canada common. On Thursday, June 19th, there was a strong demand on both exchanges for Brazilian, and it advanced to about 60. After a quiet day on Friday there was again a period of activity on Saturday morning. Steel of Canada was active, due probably to the rumours that an amalgamation with the Dominion Steel Corporation was being arranged. Spanish River common was also actively traded in owing to the reorganization plan which had been announced.

The same stocks occupied most attention when the markets opened on Monday, the 23rd. On the Montreal Exchange Ames-Holden common made a gain of nine points to 51, and several other stocks registered advances. Atlantic Sugar and Dominion Canners also advanced on the Toronto Exchange. On Tuesday and Wednesday Steel of Canada common continued active, while most stocks started downward. Dominion Bank was in considerable demand, several transactions at around 202 being recorded. It lost ground to about 200 on Wednesday, however.

Transportation Building Co., Ltd. — For the twelve months ended April 30th last the profit and loss statement showed surplus revenue over working expenses of $81,565, against $84,331 the previous year. This, added to the accumulated surplus of $42,331 and the sum of $1,268 in recovered debts during the year, made available for bond interest and other charges an amount of $125,165. After interest and depreciation allowances were deducted there remained a balance of $40,336 to carry forward to the current year.

Southern Canada Power Co.—Gross earnings of the company for May amounted to $47,098, an increase of $6,485 over May, 1918. Operating expenses increased $3,719, leaving net earnings of $20,988. For the eight months ending with May the gross earnings of the company were $390,747, and net earnings were $182,504, the latter being an increase of $42,059. The company's new hydro-electric development at Drummondville, which will have an ultimate capacity of 18,000 horse-power and a present installed capacity of 7,000, is completed, and power was turned on during the past week.

Atlantic Sugar Refineries, Ltd.—The annual statement of the company for the year ended April 30th last shows profits of $986,343, or more than double those of the previous year. After all deductions, which totalled in last year's statement $611,011, against $255,895 in 1918 and $193,025 in the previous twelve monthly period, there remained available for dividend purposes a surplus on the year's operations of $375,332, or equal to slightly over 15 per cent., on the preferred stock of the enterprise, on which an initial dividend was lately declared. This compares with $206,781, or 8.3 per cent., last year and 4.5 per cent. in 1917.

The year's surplus, added to the balance carried forward from 1918, brings the total surplus up to $698,771.

The year's balance sheet shows several changes from that of last year. One of the most important of these is in respect to working capital, which, at $1,252,089, is almost double that reported at the end of 1918 fiscal year. Current assets in the statement under review stand at $3,400,506, compared with $721,444, while current liabilities, which, on April 30th last year were $64,470, have increased to $2,148,417. The changes in this respect are, in a great measure, due to the fact that inventories on April 30th last totalled in value $2,498,098, compared with $573,958 on the same date a year ago, an increase of $1,924,140. Bills and accounts receivable, aggregating $701,169, compare with $90,786 in the 1918 balance sheet.

Steel and Radiation, Ltd.—Operating profits of the company for the year ended December 31st last amounted to $556,191, or nearly double those of the previous period. Interest charges were $74,727, leaving a net profit of $481,464, compared with $213,516 in 1917. The balance at profit and loss at the beginning of last year was $49,803, making total credit of $531,267. From this were deducted preferred dividends in respect of 1917, $46,529; transferred to depreciation and amortization reserve, $299,090 provision for reduction and inventory against falling prices of materials and restoration of plant to resume peace business, $175,000, a total of $520,619, leaving a surplus for profit and loss at the end of 1918 of $10,647.

A comparison of the principal items from the report for the past two years is as follows:—

	1918.	1917.
Credit balance, January 1st	$ 49,803	$ 50,668
Profit from operation	556,191	289,552
Less interest	74,727	76,036
Net profits	$481,464	$213,516
Preferred dividend (1917)	46,529	....
To reserves	299,090	166,857
Provision for reduction in inventory	175,000	....
Balance, profit and loss	10,647	49,803

Montreal Water and Power Co.—The financial statement of the company for the fiscal year ended April 30th last shows profits of $170,535. This is a decrease of $16,817 from the 1918 profits of $187,352. After all deductions, surplus at credit of profit and loss accounts amounts to $6,177 as compared with $36,256 in 1918. Adding to the balance carried forward from the previous year, total at credit of the account is $534,708.

The profit and loss account compares as follows:—

	1919.	1918.
Gross revenue	$848,336	$827,794
Operating costs	409,328	370,487
Gross profit	$439,008	$457,307
Interest on funded debt	268,473	269,955
Profit	$170,535	$187,352
Bond expenditure, etc.	32,858	31,858
Tools reserve	1,500	3,238
General depreciation	85,000	116,000
Plant write-off	48,000	....
Surplus	$ 6,177	$ 36,256
Previous surplus	528,531	504,774
Balance forward	$534,708	$541,030

Total assets of the company at the end of the fiscal year amounted to $8,503,763 as compared with $8,415,898 the previous year, an increase of $87,865.

Spanish River Pulp and Paper Mills, Ltd.—At a meeting of the board of directors held in Montreal on June 18th, Mr. George R. Gray, manager of their woods operations, was appointed a member of the board as the nominee of the Ontario Pulp and Paper Company bondholders in succession to the late Mr. Benjamin Tooke. Mr. Gray has been associated with the Spanish River Co. for many years.

The board also decided to issue vouchers in connection with the first year's dividend on the original issue of preference stock. There are two issues of preference stock, the first being the original issue of $3,000,000, upon which the dividend accumulates from the first of July, 1913; the second represented by preference interim certificates amounting to $2,700,000, upon which the dividend begins to accrue