

NET EARNINGS AND DIVIDENDS OF THE CROW'S NEST PASS COAL CO., LTD.

THE ANNUAL REPORT of the Crow's Nest Pass Coal Company, Ltd., for the calendar year, 1906, is printed on another page of this number of the *Mining Record*. It will be seen that notwithstanding unfavourable conditions during a part of the year, the net earnings were sufficient to admit of the customary quarterly dividend at the rate of ten per cent. per annum being paid to the shareholders for the full period under review.

The publication of the company's yearly statement of accounts appears to have had its customary effect on its old-time traducer, Wm. Blakemore, who has repeated statements we have on former occasions shown to be untrue. His periodical ebullition has this time taken the following form:

"*The Week* was severely, not to say scurrilously, criticized a few months ago for pointing out that the Crow's Nest Pass Coal Co. were paying a higher dividend than the operating profits warranted. In the same editorial *The Week* also pointed out that practically all the money utilized in the payment of dividends had been acquired by the company through the sale of treasury stock at a high commission. The general management recently announced that a further issue of treasury stock at \$250 per \$100 share would shortly be made. As the issue is to be half a million it will, if sold, realize \$1,250,000 and a net premium of \$750,000. In view of the present financial position of the company it will be interesting to know what justification there is for putting this stock on the market at such a premium."

As to the question of whence dividends have been derived, the following figures from the company's audited balance sheets show:

Balance at credit of Profit and Loss	
Account on December 31, 1899....	\$ 47,810.42
Net earnings for year 1900.....	141,064.10
" " " 1901.....	270,848.39
" " " 1902.....	171,285.80
" " " 1903.....	310,492.28
" " " 1904.....	406,049.56
" " " 1905.....	497,898.68
" " " 1906.....	351,791.35

Aggregate of net earnings to end of
1906 \$2,197,240.58

Total dividends, 1901...	\$242,705.50
" " 1902...	250,000.00
" " 1903...	303,717.36
" " 1904...	347,807.25
" " 1905...	349,418.05
" " 1906...	350,000.00

Aggregate dividends to end 1906... \$1,843,648 16

Balance at credit of Profit and Loss
Account on December 31, 1906.. \$ 353,592.42

As explaining the smaller total of net earnings in 1906, the chairman of the adjourned annual meeting of shareholders held on April 30, said: "The company has passed a satisfactory year. Had it not been for the unfortunate strike which took place in the latter months of the year, the production would have reached approximately 1,000,000 tons, and profits of the company should have shown a betterment of \$125,000, which is the estimate the directors placed upon the cost of the strike. This is made up of loss in profits, and in the actual expense of the strike."

Concerning justification for the recently-authorized issue of new stock at \$250 per share, before leaving Winnipeg on May 30, Mr. G. G. S. Lindsey, managing director of the Crow's Nest Pass Coal Company, according to a press dispatch of that date, said: "My directors in Toronto have just given me an additional \$1,250,000 for the purpose of expanding and developing the property of the company, and the work will be begun as soon as the necessary arrangements can be made. We will need about 500 additional men."

The company's cash receipts on capital account, the investment of its Reserve Fund, and the big and very valuable assets, practically unencumbered, it possesses need not be gone into now. It has developed one of the most important individual enterprises established in the Province, and its achievements are constructive and a distinct public benefit.

Under date May 12, the president of the Stenwinder Gold and Coal Mining Company by circular gave the shareholders of the company the following information concerning operations at the Stenwinder gold mine at Fairview, Okanagan:

"In the past two months we have done the following development work: Raised from the 300-ft. level to within 20 ft. of the first level, a shaft 9 ft. x 4 ft. 6 in. within timbers (double compartment) and completed the timbering for this distance, 180 ft. Cross-cut from the old workings to the new shaft at the 200-ft. level a distance of 60 ft. Cross-cut on the surface at the side of the mill, to connect with the shaft at first level, a distance of 75 ft., size 8 ft. x 6 ft. diminishing to 7 ft. x 5 ft. within timbers. This makes 315 ft. of large tunnels and shafting completed in about two months, which is record time for this district. We are now completing the raise and will connect with the last-mentioned tunnel within a week. It will take about three weeks to raise the further distance of 50 ft. to the surface at the higher ground at the back of the mill and get the temporary gallows frame erected for hoisting while sinking the shaft, which will be continued immediately. We expect to sink at the rate of 100 ft. per month, and after the cross-cuts to the ore on the different new levels are made, we shall be in a position to extract ore with great economy through the new shaft, which is at the left hand side of the upper part of the mill. We are now driving all the machinery by water power and saving about \$600 per month in steam costs. The outlook in every respect is promising."