

AMONG THE COMPANIES

GREAT INCREASE IN RESIDENTIAL AREA OF MONTREAL.

A great increase has been made in the residential suburbs of Montreal by the opening of Mount Royal Tunnel on October 21st, on which date the Canadian Northern Railway established through train service between Montreal (Tunnel Terminal), Ottawa (Central Station and Toronto (Union Station). Tunnel Terminal is located on Lagache Street, West, two blocks each of Dominion Square, and within five minutes walk of the leading hotels, retail business stores and other railway stations.

Rail, sleeping and parlor car tickets are obtainable at all Canadian Northern Railway ticket offices.

LAKE SHORE GOLD MINES, LTD.

According to the Toronto Globe the Lake Shore Gold Mines, Limited, which on Monday declared a dividend of 2½ per cent, payable December 10th, to shareholders of record November 30th, has definitely taken its place among the leading mining operations of the north. The disbursement amounts to \$50,000 and is the second of the kind. In addition to declaring the dividend, it is also stated the company has subscribed for \$50,000 in the second Canadian Victory Loan.

Current net earnings are understood to be considerably in excess of 2½ per cent quarterly, and it is evident the conservative policy of the company has for its purpose the accumulation of a very substantial surplus. Meantime at the mine the tonnage treated from month to month is recording a steady increase, as also is the amount of bullion produced. This is being done, improving facilities rather than adding to man-power, and it is evident the increase in overhead expenses is a great deal lower in proportion to the increase in output, with the satisfactory result that net profits are continually on the up-grade.

The tonnage treated and gold production for the month of October will be available about the middle of November. Since beginning production on March 8th to the end of September last, the following constitutes the record of the Lake Shore: Tons treated, 11,253; bullion produced, \$279,549.92 and dividends paid and declared, \$100,000.

MOLSONS BANK.

The following comment regarding Molsons Bank appears in the Montreal Trade Bulletin this week:—

The past year's business of the Molsons Bank ending September 30th last was of the most satisfactory nature, as submitted to the shareholders at the sixty-third annual meeting the Bank by Mr. E. C. Pratt, general manager, on Monday last. The net profits of the year amounted to \$712,485.01, being equivalent to 17.8 per cent on the paid-up capital. Only once before in the history of the Bank has such large profits been earned.

The directors have, therefore, been enabled to pay the usual quarterly dividends at the rate of 11 per cent per annum, and after disbursing all other indebtedness, a credit balance of \$248,029.41 has been carried forward in Profit and Loss account. There has been an increase of over \$1,000,000 in Circulation and over \$3,000,000 in deposits since last year. On the other side of the Balance Sheet: Current Loans show an increase of \$2,700,000. The Dominion and British Government Securities show an increase of \$6,000,000.

The salient features of the business situation was referred to by the president, Mr. W. M. McPherson. He stated that the Directors look forward with some anxiety to the period of readjustment after the war, as do financiers generally, but this will, undoubtedly, be less difficult to cope with than many surmise. The management is to be congratulated upon the fine showing of the year's business.

CIGARETTES AND FIRES.

The United States smokes 3,000 miles of cigarettes every day. Fires caused by cigarette stumps last year destroyed \$8,588,375 of property.



MR. A. A. AYER,
President National Brick Company of Laprairie.

UNION BAG & PAPER CO.

The Union Bag & Paper Corporation is understood to be earning after all taxes at the rate of over 15 per cent. on its \$10,000,000 stock. In these earnings a 75 per cent. interest in the St. Maurice Paper Co. of Canada is not included, as this company is not yet paying dividends on its \$5,000,000 stock, although it is earning about 14 per cent. For the six months to July 31 last Union Bag earned more than \$1,000,000 net, or more than 10 per cent. on the stock. The present rate of earnings is half again as much.

The company's favorable earnings are not so much the result of a bigger margin between cost and selling price as that it is actually selling much larger quantities of bags than in 1917.

Since reorganization of the company, which was accomplished without new capital or underwriting, a reduction of the capital from \$27,000,000 to \$10,000,000 being made, it has no floating debt; has on conservation figuring \$4,300,000 net current assets, and plants valued at approximately \$11,000,000. Against this the company has \$10,000,000 stock and roughly \$4,100,000 bonds.

THE NEWS PRINT INDUSTRY.

Efforts are being made by the newsprint manufacturers of the Dominion to improve the quality of their product, and also to secure a greater uniformity.

During the past year, by co-operation of the executives of the larger news print mills, plans have been put into action by which Canadian-made news print will be steadily improved in quality so as to command a special price in foreign markets. Quantity production on the present plant basis has about reached its limit. It is realized that quality of newsprint will bring a preferential price in future, and the Canadian mills are headed for that goal. Five of the big mills are now pooling all their data bearing on production. Meetings of all departmental heads are now held quarterly at the plant of one or other of the companies. The day of trade secrets has been declared over. Another advance of much significance was the success of a Quebec news print mill recently in using ten per cent. of birch with its usual mixture of spruce and balsam pulp. No Canadian mills have thus far used any hardwoods which in Ontario and Quebec are so prolific that they are regarded as "weed trees" and left to waste. The mill in question is now using birch wood regularly, and other mills may be expected to follow its example. This means an enormous saving of the limited stock of spruce.

It is stated by paper mill men here that as soon as the trend of peace conditions becomes apparent, extensions to present mills will be commenced. Between 1914 and the early part of 1917 the daily output of Canadian news print mills had risen from about 1,300 tons a day to about 2,100 tons, an increase of more than 60 per cent. Between 1917 and 1918 the increase was from 2,100 to 2,300 tons a day, or less than 10 per cent.

RAILWAY EARNINGS.

The gross earnings of the three principal Canadian railroads for the last week in October aggregated \$9,053,196, an increase of \$1,250,514 or 16.02 per cent. Each of the three roads showed an increase, the Grand Trunk ending with one of 47.4 per cent, being the largest increase for the road this year, the second largest being 46.1 per cent for the last week in September.

Following are the earnings for last week with the comparative figures from a year ago:

	1918.	Increase.	P.c.
C. P. R.	\$5,023,000	\$ 34,000	0.6
G. T. R.	2,157,396	693,914	47.4
C. N. R.	1,872,800	522,600	38.6
Totals	9,053,196	1,250,514	16.02

NATIONAL BRICK CO.

The National Brick Company of Laprairie, which started on its career a few years ago in a blaze of glory and later fell on evil days, is now being reorganized. Mr. A. A. Ayer, the president of the company, wishes to form a new company, to be known as the Laprairie and Delson Brick Co., and to exchange securities of the old company for those of the new.

The circular is signed by A. A. Ayer, R. M. Ballyntyne, H. R. Trenholme and T. B. Macaulay.

The old company was capitalized at \$2,319,100 bonds, and \$2,000,000 capital stock, in addition to which scrip had been issued to the bondholders to cover deferred interest payments from October 1st, 1915, to April 1st, 1918. The deferred interest up to Feb. 28th last was \$450,036.

The circular proposes that the new company should start off with an authorized and an issued capital of approximately the following:

	Authorized.	Issued.
Bonds, 6 p.c., 30-year..	\$3,000,000	\$2,319,000
Prof. stock, 7 p.c., cum.	1,000,000	531,000
Common stock	2000,000	1,450,000

The new bonds are described as "income mortgage," interest on some to be cumulative, and payable when earned; but the company to be in default unless 2 per cent. of the interest be paid not later than April 30th, 1922, and a further minimum of 2 per cent. be paid in each year thereafter. These bonds, or any portion of them, to be redeemable at part and accrued interest at any interest date. The exchange from the old into the new bonds would be a straight par for par.

This plan is opposed by Mr. J. N. Greenshields, a former president of the company. He states that he will take legal proceedings to force the company into liquidation.

Mr. Greenshields considers the common stock is entitled to more consideration than one share in a new organization for four of the old stock, and he states:

"The action which I have taken in applying for a winding-up order was prompted by the conviction on my part that, as a shareholder, I would rather take my chances on the results of an ordinary liquidation than allow myself to be deprived of my equity in the company by a reorganization plan, which has been formulated without due consultation with and consideration for the rights of both classes of security holders in the company."

Mr. Greenshields makes the counter proposal that the common shareholders should retain their present equity upon the payment of an assessment of \$10 per share. To the bondholders he would give preferred stock for their bonds and unpaid interest.

He claims that the agreement which was made between the company and its bondholders in 1915 regarding the suspension of interest payments and the acceptance of scrip in lieu thereof was for a period which was expected to tide the company over the war period and carry it along to the time when building operations would be under way once more with resultant benefit to the company. Could it have been foreseen that the war would have lasted so long he considers that the agreement could have been made to cover the more extended period and avoid action which would deprive the common stock of its rights on the eve of the restoration of normal conditions.