

Corporation Finance

**Consumers Gas Has Small Surplus—Heavy Operating Expenses a Great Setback—
Detroit Railway Withholding Dividends to Serve the Public—Mexican Power Bond-
holders Assured of a Better Future for the Company—Brompton Dividend Increased**

Saskatchewan Co-operative Elevator Co., Ltd.—Three hundred and eight elevators were operated during 1919 and 21,841,556 bushels of grain were handled, according to the annual report of the Co-operation and Markets Commissioner of the Provincial Department of Agriculture.

The company made a profit of \$193,599, declared a dividend of 8 per cent to its shareholders and transferred \$36,446 to the reserve.

Brompton Pulp and Paper Co.—Declaration of a quarterly dividend of \$1.75 per share, payable November 8th next to shareholders of record of October 31st, as against a previous rate of \$1.50, indicates an increase in disbursements from 6 to 7 per cent.

An official statement, given out after the meeting of the board, said that the directors wished the shareholders to know that the increased disbursements to be made next month were due altogether to the excellent earnings of the company's United States subsidiaries, the Groveton and Claremont enterprises.

Mexican Light and Power Co., Ltd.—A letter to bondholders of the company and security holders of the Mexican Electric Light Co., the Pachuca Light and Power Co. and the Mexico Tramways Co., signed by T. Porter, assuring that action for the protection of such holders will be taken. The letter outlines the political troubles in Mexico during the past year, and points out that the companies are recovering from the effect of these disturbances.

As to the position of the companies, some improvement has been made in operating efficiency of the tramways since the company was returned to its owners by the government. The hydraulic plants of the Light and Power Company are overtaxed, and steps are being taken to install a new unit at the Necaxa power-house. Matters outstanding between the companies and the government of Mexico are being discussed with a view to settlement. For instance, no indemnity was paid by the government for occupying the tramways for over four years. The tramways is also seeking the right to increase fares to meet the general rise of wages and materials. Chartered accountants are working on the accounts to establish the exact financial position of each company.

It is stated that during the past summer President E. R. Peacock and H. Malcolm Hubbard visited Canada and Mexico, seeing the principal men connected with the government of the latter country. At that time Huerta was provisional president, and he, as well as General Obregon, who later became president, gave emphatic assurances of every possible protection to foreign capital.

Detroit United Railway.—After returning to Montreal from a visit to New York, where the directors have been in session for several days, A. J. Ferguson, vice-president of the road, made the following statement:—

"The general situation of the company is that, by reason of withholding increased dividends, representing a fair return on the value of its property it has employed in serving the public, it has accumulated a large surplus. In January, 1902, the company was authorized to issue \$25,000,000 of bonds, secured by a mortgage on its property, to provide for underlying bonds and to meet requirements from time to time with reference to the extension and development of its lines. It was considered at the time that the provision made by this \$25,000,000 mortgage would provide for necessary extensions and betterments indefinitely, but the increase in population and the development of industries and commercial activities within the territory served by the company's transportation has been so great that the provision thus made has been exhausted, the mortgage having now been closed several years.

"The increased demand for extension of the company's system and general facilities continues, and our bankers have advised that before or in connection with the adoption of any permanent financial plan the company's properties be segregated—the city lines from the suburban ones. If this plan, which is under consideration, shall, upon full investigation and consideration, be deemed wise, it would involve a reorganization to some extent, and also the adoption of a comprehensive programme with reference to the financial needs of the country, both for the near and distant future. The company," continued Mr. Ferguson, "proposes to efficiently serve the people within the territory occupied by its system depending on it for service, having full regard to the future increase in population. If a plan of reorganization and for permanent financing be finally approved by the board of directors of the road, it will, of course, be submitted to the stockholders for their consideration."

Consumers Gas Co.—A surplus of \$129,708 is shown in the annual report of the company for the year ended September 30th last, as compared with an adverse balance of \$127,064 in 1919. Gross income for the year amounted to \$6,426,896, compared with \$5,506,215 in 1919. This good showing, however, was offset to a large extent by an increase in operating expenses from \$4,540,298 to \$5,186,622.

In his report to shareholders, A. W. Austin, president, points out that during the year there was an increase of 10.28 per cent. in the quantity of gas sold and an increase of 5,760 in the total number of customers supplied. He observes that, notwithstanding strong electrical competition encountered during the past ten years, the output of gas during that period has nearly doubled. The number of customers has also increased 90 per cent., although in the same period the population served by the company has increased only 44 per cent. There has also been a large increase in the number of purposes for which gas has been used.

In regard to the profit and loss account, Mr. Austin draws attention to the fact that the surplus of \$129,708 has been placed to reserve. He also states that, compared with the magnitude of the figures involved, this surplus appears a small one, and especially so when bearing in mind the adverse balances of the past several years during the war period, which must be gradually recovered. The year's operations were affected by marked increases in the prices of all commodities necessary for the manufacture and distribution of gas. During the past three months, it is pointed out, prices have advanced at a greater rate than in any similar period in the company's history. Both coal and gas oil have advanced to prices undreamed of, and the company is paying for these materials at the present time from two to three and a half times the prices paid in 1915.

The general financial position of the company was not materially changed. Total assets at the end of the year were \$12,293,264, as against \$11,944,208 at the end of the previous year. The following figures show the principal changes:—

	1920.	1919.
Balance brought down	\$ 1,240,274	\$ 965,917
Interest	60,592	57,536
Dividends	536,070	535,999
Plant and buildings renewal.....	513,902	499,445
Transferred to reserve.....	129,708	
Reserve fund	3,346,982	3,119,668
Capital stock	5,360,700	5,360,700
Real estate, plant, etc.	10,775,954	10,444,795
Cash in bank and offices.....	141,497	141,530
Accounts receivable	516,557	456,415
Accounts payable	318,710	233,044
Special bank advance	1,346,538	1,268,288
Materials and supplies	655,950	693,494