

## Corporation Finance

**Bell Telephone Case Concluded Temporarily—Canadian Pacific Net Earnings Again Lower in August—Gross Increased Seventeen Per Cent., but Operating Expenses Advanced More Than Double That Rate—Montreal Tramways Revenue Not Sufficient to Meet Requirements**

**Canada Foundries and Forgings Co.**—At a meeting of the shareholders of the company in Brockville, Ont., on September 28, approval was given to the directors' decision to sell the Buffalo subsidiary of the company, the Delaney Iron and Force Co., Inc. Provision is made for the bargain to be finally completed and the transfers made within the next sixty days.

**Canada Bread Company.**—At the annual meeting of the company in Toronto on September 28, D. O. Ellis, of Toronto, and A. A. Ryley, of Winnipeg, were added to the board of directors, and H. C. Tomlin and George Weston retired. President Mark Bredin was in the chair. No action was taken regarding dividend on the common stock, the shareholders being informed that the company's financial effort would be concentrated in the near future, on the construction of a fine new plant costing \$300,000 on its Danforth Avenue property. It was considered that the position of the company had shown good progress, business now being carried on in Hamilton, as well as Montreal, Winnipeg, and Toronto. Last year was the best in the company's history, and an even better one in volume was expected this year. Mark Bredin was re-elected president, and W. T. Bredin was chosen vice-president.

**Canadian Pacific Railway.**—The monthly earnings statement of the company issued this week showed that gross earnings during the month of August increased by upward of 17 per cent., but working expenses advanced by over 37 per cent. in the period, leaving the net figure lower by \$1,577,355 than in August of last year, a decline of over 41 per cent. As in the previous month's statement, the expenses include provision for the estimated increase under the new wage award.

The ratio of working expenses to gross earnings in August was upward of 88 per cent., as compared with approximately 75 per cent. during the corresponding period in 1919. The gross figures for the month constitute a record in the history of the road, as do the expenses.

The figures for the month follow:—Gross earnings, \$17,994,769; net profits, \$2,200,813; net decrease, \$1,577,355.

Gross earnings for eight months, \$127,428,116; net profits, \$15,248,485; net decrease, \$3,712,865.

**Port Arthur Shipbuilding Co., Ltd.**—For the year ended June 30, 1920, net earnings of the company amounted to \$301,215, as against \$517,563 in the previous year. The report indicates a slackening of operations, following the busy period in shipbuilding during the war.

The Port Arthur Company was considered as one of the corporations to enter the British Empire Steel Corporation when the merger was first proposed early in the summer, but was afterwards withdrawn from the negotiations.

Gross profits for the year were \$538,369, compared with \$821,549. General and administration expenses showed a slight increase at \$164,183, as against \$159,919. Other income was \$109,110, compared with \$87,688. The sum of \$182,481 was allowed for amortization of plant additions, bond interest and miscellaneous charges, as against \$231,754 last year. The assets of the company are slightly reduced at \$5,982,162, as against \$6,154,902.

**Marconi Wireless Telegraph Co. of Canada, Ltd.**—Particulars of the affiliation of the company with the Canadian General Electric Co. have now been announced. Directors of the new organization are as follows: Hon. Sir Frederic Nicholls, president, Senator G. Marconi, A. E. Dymont and Robt. Bickerdike, vice-presidents, and the following directors: Sir William Mackenzie, Godfrey C. Isaacs, G. M. Bosworth, C. Greenshields, K.C., and A. H. Morse, managing director.

Plans involved in the reorganization call for the increase in the authorized capital of the company to provide additional working capital, and the acquisition of valuable wireless patents controlled by the Canadian General Electric Co. Among the patents involved are the Alexanderson alternator, the manufacture of the Fleming valve and the Alexanderson multiple aerial.

A merger was effected in the United States some months ago between the American Marconi Co. and the wireless interests of the General Electric Co. of America, the merger interests being incorporated under the name Radio Corporation of America. As a result, the Radio Corporation at once became the strongest of eight of its constituents, financially and otherwise, since it gained control of essential wireless patents.

The various Marconi interests in the British Empire elsewhere than in Canada became entitled to the use of all the wireless patents owned and controlled by the General Electric Co. of America. Canada was not included in this operation because of the fact that the Canadian equipments of the wireless patents of the General Electric Co. of America were owned in Canada by the Canadian General Electric Co., Ltd., which is not under control of the American organization.

The merging of the Marconi Co. and Canadian General Electric will naturally overcome this serious difficulty.

**Bell Telephone Company.**—The hearing of the company's application for increased rates which commenced in Ottawa on September 21, before the Dominion Board of Railway Commissioners, was concluded on September 23. Glyn Osler, counsel for the company, in closing the case stated that he might have to call one or two more witnesses when the next hearing took place, but, generally speaking, the company had finished.

During the hearing several witnesses had appeared for the company, including C. F. Sise, vice-president and general manager, and I. W. Killam, of the Royal Securities Corporation. The basis of the company's argument was that the corporation is hugely capitalized, but is not making money on its investment, and in addition is not making provision for depreciation and reserve. Figures were submitted to back this contention. The increase in rates sought is conservatively estimated to bring in revenue of \$4,500,000, enabling the company to pay an 8 per cent. dividend, and make other necessary provisions.

At the conclusion of the hearing, H. G. Atwater, rate engineer for the American Telegraph and Telephone Company, with offices in New York, was called as a witness to testify to the method adopted at arriving at the proposed new rates. In answer to questions by F. B. Proctor, counsel for the city of Ottawa, Mr. Atwater said that he could not tell definitely whether the adoption of the "measured" system for business telephones would restrict users of telephones very greatly. He did not think it would in any way cripple business. It was suggested by counsel opposing the application that an expert should be brought from the United States, where the "measured" system is used, to explain its operation to the board. It was important to know how it worked. D'Arcy Scott, counsel for the Ottawa Board of Trade, remarked that it might result in deterioration of the service, which should be taken into consideration when fixing rates. Mr. Atwater explained that in counting messages no charge was made if the line asked for was busy. It was only through messages that counted.

No definite decision was made regarding the date when the hearing would be resumed, but it will probably take place