

Corporation Finance

Hudson's Bay Company Reports Favorable Progress—Outlook for Saguenay Pulp and Paper Company Promising—Last Year's Operations Satisfactory—Rapid Strides Made by Atlantic Sugar Company in 1919—Canada Steamship Shareholders Agree to Enter Merger

Granby Consolidated Mining, Smelting and Power Co.—During June, 1920, the company produced 2,079,000 pounds of copper, as compared with 2,131,219 pounds in May and 2,180,000 pounds in February, which month was a record for 1920. In June a year ago the figure was 2,637,184 pounds.

Canadian Pacific Railway Telegraph Co.—Wage increases of between 15 and 20 per cent. have been granted by the Board of Conciliation, which recently heard the demand of the telegraphers employed by the company. The present rates of pay for operators in Ontario are from \$100 a month to \$135.25. The schedule which the board dealt with included operators, printers, clerical staff and others employed in the offices of the company.

Collingwood Shipbuilding Co.—A meeting of the shareholders of the company was held in Collingwood, Ont., on July 27th, when 95 per cent. of the stock was represented, and it was unanimously agreed to sell all its assets to the Collingwood Shipbuilding Corporation, Limited, which Mr. H. B. Smith, president, stated was a part of the British Empire Steel Corporation. Conditions of the agreement appeared in this column last week.

Southern Canada Power Co., Ltd.—The June earnings statement of the company is as follows:—

	June, 1920.	Increase over last year.
Gross	\$ 54,681	\$ 5,719
Operating expenses and purchased power	28,917	3,365
Net earnings	\$ 25,764	\$ 2,354
Nine months ending June 30th, 1920:—		
Gross	\$502,781	\$62,431
Operating expenses and purchased power	253,773	20,420
Net earnings	\$249,008	\$42,011

Dominion Telegraph Co. of Canada.—Very little change is recorded in the annual report of the company for the year ended June 30th, 1920. The balance at the credit of the profit and loss account at the end of the year was \$290,393, as compared with \$290,978 a year ago. Cash on hand and in the bank totalled \$18,901, against \$22,914 in the previous period. Dividends paid on July 15th amounted to \$10,000, while in 1919 the figure was \$14,000. Directors report the payment for the past forty-one years of the guaranteed interest at 6 per cent. per annum on the capital stock of the company by their lessee, the Western Union Telegraph Co., which interest has been duly distributed quarterly to the shareholders of the Dominion company. The lease is for ninety-nine years, from July 1st, 1879, to June 30th, 1978, inclusive.

Officers and directors of the company were re-elected at the annual meeting, and D. B. Hanna, president of the Canadian National Railways, was added to the board, taking the place of the late Dr. Charles O'Reilly.

Winnipeg Electric Railway.—Shareholders of the company, represented by I. Pitblado, K.C., made application to the Public Utilities Commission last week for an eight-cent car fare so as to give them a suitable return for money invested in the company. For the past five years shareholders have been receiving no dividends, according to Mr. Pitblado. A fair return of 8 per cent. is desired by these shareholders, with the result that the seven-cent fare being asked by the company would be inadequate for providing the necessary returns. A straight eight-cent fare, with special considerations for "strip" tickets, would give the necessary returns to the shareholders, Mr. Pitblado said. The hearing was adjourned.

E. Anderson, K.C., on behalf of the company, closed his arguments before Commissioner P. A. McDonald, stating that, although the seven-cent fare would only give the shareholders a return of 5.4 per cent., the company was not desirous of asking for a higher rate, in consideration of the hardships that might be worked upon the travelling public.

Canada Steamship Lines, Ltd.—After a very brief meeting, shareholders of the company, on July 25th last, decided to accept the agreement of the directors with the British Empire Steel Corporation. Represented at the meeting, either in person or by proxy, were 100,580 shares of the common stock outstanding, amounting to 120,000 shares, and 57,428 of preferred, of a total issue of 125,000, the latter securities being largely held abroad, the voting power of which not being exercised at the meeting.

The terms of the agreement with the new consolidation, as already published in detail, provided for the nominal leasing of the Canada Steamship properties for a term of twenty-five years, but actually entail the absorption of the company by the British Empire Steel Corporation. Holders of Steamship common are to receive 100 per cent. in 7 per cent. cumulative second preference stock of the new consolidation and 45 per cent. in common, while par and 10 per cent. of the respective securities go to the owners of Steamship preferred on exchange. The latter is optional, the British Empire Steel Corporation guaranteeing the 7 per cent. dividends in both instances.

Mr. J. W. Norcross, president of the company, recently speaking of the present business of the Steamship lines, stated that the present season is proving a record one, so far as traffic on the Great Lakes is concerned. "There is really more passenger business offered than we can take care of," he said, "while freight earnings are well in excess of those of a year ago. Operating expenses, owing to the increased price of fuel and higher labor costs, are in excess of those of last year, but I feel confident that when the net of the season's operations is available it will compare well with that of 1919, when our results in this respect reached their high-water mark."

Atlantic Sugar Refineries, Ltd.—Rapid strides were made by the company in the year ended April 30th, 1920, according to the annual report just issued: The volume of sales of refined sugar during the year amounted to over \$25,000,000, an increase over the previous year of about 133 per cent. Net earnings on the 35,000 shares of common stock, after allowing for the year's dividends on preferred, indicate 14.14 per cent., against 8.70 per cent. in 1919 and 0.91 per cent. in 1918.

With the larger business handled there has been a substantial increase in the profits, the profit and loss account showing refining profit for the year of \$1,594,888, as against gross profits for the previous year of \$986,343. This year profits from other sources are reported amounting to \$1,199,012. This evidently represents transactions in raw sugar, of which the company has very large supplies. There is also an item this year of profit on investments of \$9,009, making a total of \$2,802,910.

This amount was distributed as follows: Bond interest for year, \$81,450; bank interest and exchange on trade paper, \$131,325; depreciation, \$721,031; contingent reserve, \$1,199,012, making a total of \$2,132,819, and leaving net profit for the year of \$670,090. From this amount dividends of 10½ per cent. were paid on the preferred shares, amounting to \$262,500, leaving an amount to be carried forward of \$407,590. This, added to the balance carried forward from the previous year, brought the total of profit and loss up to \$1,106,362.

The general statement of assets and liabilities shows that total assets of the company stand at \$13,186,347, as