

INVESTMENTS AND THE MARKET

News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends and Future Plans

Considerable depression has been exhibited on the stock exchanges during the past week, due largely to the uncertain industrial outlook. The budget speech, and consequent developments, are also awaited with considerable anxiety in investment circles. Several gains were nevertheless made.

On the Montreal exchange National Breweries rose from below par to around 128, St. Lawrence Flour Mills from 65 to 107, Laurentide from 216 to 223. Canada Steamships showed considerable activity around 51, and Brompton at from 60 to 62. Bell Telephone shares, ex-rights, are quoted at 125. In Toronto, Maple Leaf and Canada Steamships were again featured, but general trading was light.

At a meeting of the Montreal Stock Exchange, held on May 28th, it was decided to abolish the minimum price list. The removal will go into effect on Monday, June 2nd. It was decided at a meeting last January that the list should be retained until the conclusion of peace negotiations. The delay in the latter, however, and the present condition of the market was considered as warranting the removal now.

Southern Canada Power Co., Ltd.—The development undertaken by the company at Drummondville, Que., is completed, and the hydraulic and electrical equipment installed, and the company states that they will be turning on the current next month.

Alberta Flour Mills, Ltd.—This company, which was formed a short time ago, is now prepared to begin the seasons work on the plants in Calgary, the directors having secured support from the investing public. Among the directors are George Lane, A. E. Cross, Wm. Pearce, D. E. Riley and Col. J. S. Dennis, who are all local men and familiar with the conditions of this industry. The location of the company on a point far west will enable it to ship economically by way of Vancouver. Calgary is served by the three transcontinental railroads, which place it in a direct line of communication, both east and west.

North American Pulp and Paper Co.—At the meeting of directors of North American Pulp and Paper Companies Trust, proposals were made for the reduction of the dividend on the preferred stock from 7 to 6 per cent., to increase the number of the company's preferred shares, and to propose the issuing of \$5,500,000 collateral trust notes for the purpose of buying the present bonds outstanding of the companies not yet entirely controlled by the pulp company.

A meeting has been called for June 6th, at which the shareholders will be requested to vote on the above, as well as on the changing of the name of the company to the Chicoutimi Pulp and Power Co., and on a proposal to transfer the present stock to stock in the new company.

Eastern Theatres, Ltd.—An issue of 7 per cent., cumulative preferred shares of the company are being offered through several Toronto brokerage firms. These are being offered to the public at par in \$100 shares and a bonus of one \$25 share of common stock is being given with each share of preferred.

Eastern Theatres, Ltd., is capitalized at \$1,800,000, made up of \$1,000,000 preferred and \$800,000 common stock, of which \$500,000 preferred and the entire common is being issued at the present time. The directors of the company are: W. J. Sheppard, of the Toronto Paper Co. and other corporations; A. Rogers, president Elias Rogers Co.; D. I. White, of Playfair and White, Midland; J. B. Tudhope, M.P., president Carriage Factories, Ltd.; J. P. Bickell and N. L. Nathanson, president and managing director, respectively, of Regent Theatres, Ltd., and Regal Films, Ltd.

The purpose of the stock issue is to secure funds to build a new Pantages Theatre, with an entrance on the east side of Yonge Street, between Dundas and Shuter. Pantages

Theatres are operating in the principal centres of the United States and Western Canada.

Based on the earnings of the other Pantages Theatres now in operation, it is stated that net earnings of this new Yonge Street theatre should give a net surplus for the common stock of 17 per cent., or \$135,000.

Dominion Foundries and Steel, Ltd.—Shareholders of the company have received cheques for an extra dividend of \$10 per share, or 10 per cent., bonus on their stock. The company pays 8 per cent. regularly, and last July paid a similar bonus. The letter accompanying the cheque says:—

"We enclose a special distribution of ten dollars from business earnings on the common stock, payable to shareholders of record at the close of business, May 20th. Your company is engaged in a reconstruction programme which promises well when completed. We are also considering an employees' profit-sharing plan, to obtain the esprit de corps that existed with our employees under war conditions, either or both of which, in connection with our transition period earning capacity, may affect our regular dividend rates."

Dominion Textile Co.—Sales for the twelve months ended March 31st last aggregated \$23,666,216, compared with \$16,850,278 in the previous period, an increase of \$6,815,937, or over 40 per cent., and with \$13,375,750 in 1916-17, or nearly 77 per cent. Manufacturing profits for the year recently ended were \$3,434,752, against \$1,873,371 in 1917-18, an increase of \$1,561,381, or in excess of 83 per cent., and substantially more than double those of the previous year. After all deductions, including \$1,100,000 for war and income taxes, a newly-established pension fund and replacement reserve, there remained for common stock dividend distribution the sum of \$1,559,888, or equal to 31.2 per cent., against 21.9 per cent. in 1917-18 and 15.6 per cent. the year before.

Computing the earnings on the common stock before deducting the unusual and heavy writing-off in the exhibit under review, the showing represents nearly 54 per cent. on the outstanding common stock of the company, standing at \$5,000,000. After all deductions, including dividends, the year's surplus is shown at \$1,159,888, as compared with \$745,028 at the end of the previous year and \$350,632 in 1916-17. Total surplus now stands at \$3,349,083, or equal to over 23 per cent. of the combined common and preferred stock and bonds of the company outstanding.

A survey of the balance sheet shows that land, building, machinery and good-will account has been treated with a generous hand, the sum of \$12,402,625, at which these items are carried, being less by almost \$600,000 than at the end of the previous year. Raw cotton on hand is reduced by some \$866,000, while manufactured stock and that in process of manufacture stands at about last year's level. Cash on hand, which in this year's statement includes bills receivable, is shown at \$710,825, as compared with \$17,178 a year ago. Accounts receivable, owing obviously to the sharp increase in the volume of business during the year, were \$3,409,469, against \$2,874,840 in the 1917-18 statement.

Following the issuance of the financial statement, notices were posted in all the mills of the Dominion Textile Co., announcing an all-round increase in the wages of the company's operatives of 10 per cent., and stating that the new schedule would be put into effect immediately. The increase, it was stated, would involve additional working costs of approximately \$400,000, or precisely what owners of the common stock of the company received in dividends during the last fiscal year, which ended March 31st last. In addition to the unsolicited increase in pay, officials of the textile concern are engaged in working out the details of the new pension fund, which is shortly to be put into effect, provision having been made for its inauguration out of the profits of last year.