

## INVESTMENTS AND THE MARKET

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is understood that the company has been given options on further equipment involving several millions of dollars. In addition to the substantial business already secured, the Grand Trunk Railway, according to Howard G. Kelley, president of the road, will be in the equipment market shortly, for extensive additions to rolling stock, so that, taken altogether, the prospects of company's building plants are decidedly bright.

**Penman's, Ltd.**—Sales for 1919 amounted to \$8,538,848, as compared with \$8,648,382 in 1918, a decrease of \$109,534. This, however, is offset by an increase in net trading profits of \$156,143. The reserve account and surplus now amount to \$4,004,269, and President Sir Charles Gordon points out that another \$200,000 has been subscribed for Victory bonds. The common stock dividend has been increased from 6 to 7 per cent.

The total assets, as shown in the following comparisons, have decreased by nearly \$500,000, the main difference being reduction in inventory:—

	1919.	1918.
Net trading profits .....	\$1,293,314	\$ 1,137,171
Sales .....	8,538,848	8,648,382
War tax provision .....	425,000	355,169
Carried forward .....	154,102	42,299
Gross trading profits .....	2,092,398	1,953,643
Operating expenses .....	655,107	595,312
Surplus forward .....	1,004,269	850,167
Accounts receivable .....	1,258,928	1,026,506
Cash on hand and in bank ..	104,621	48,654
Inventory .....	2,913,620	3,820,188
Total current assets .....	4,345,309	5,043,883
Total assets .....	9,939,045	10,465,415
Current liabilities .....	709,176	1,889,648
Reserve .....	3,000,000	2,500,000
Accounts payable .....	678,990	117,773

**Bell Telephone Co.**—The annual statement of the company submitted to shareholders last week, showed gross earnings of \$14,149,119, an increase of \$1,921,574, as compared with those of the previous year. Heavier costs of operation, due primarily to higher wage payments and cost of materials, besides an increase in taxes of over \$120,000, more than offset the good showing in gross.

Interest charges in the 1919 period totalled \$670,208, or \$108,154 higher than in the previous statement, the increase representing interest payments on new stock instalments, leaving the balance available for application to stock dividend requirements at \$1,483,116, a decrease of \$59,518, from the 1918 figure, and almost \$500,000 below that of 1917. Allowing for the additional stock issue, the full proceeds of which were not available until late in the year, earnings were at the rate of, approximately, 8 per cent. on the outstanding capitalization, compared with 8.6 per cent. in the previous period and 10.9 per cent. in 1917. The balance carried forward to surplus, after all deductions were made, amounted to \$43,116, or less by \$59,518 than that at the end of 1918.

Surplus and reserve now stand at \$20,580,632, against \$19,576,746 at the close of the preceding period. These represent in excess of 61 per cent. of the total capital and funded debt of the company.

**Northern Ontario Light and Power Co.**—A decrease of \$74,220 in the profits of the company are reported for the year ended December 31, 1919. The amount of \$647,621 in 1918 was reduced to \$573,401 last year. Labor trouble in the mining camps last summer was the main cause of the setback. There was an actual shutdown of approximately seven weeks in the Kirkland Lake and Cobalt camps, while it required about four weeks more to restore normal conditions at Cobalt, and the Kirkland Lake mines have not yet come back fully to normal. President D. Fasken, in his report, is optimistic, however. He said:—

"With the coming of spring, it is anticipated that extensive development planned will be proceeded with, and that the producing mines will be restored to normal operations. Gross earnings from all sources decreased by \$72,924 to \$835,126, but there was little change in operating expenses, and the surplus for the year was also less than \$2,000 lower. The company's undertakings, including the hydro-electric and compressed-air installations, dams, buildings, machinery, transmission lines and sub-stations in the Cobalt district, and also the company's systems at Haileybury, New Liskeard, Cochrane, Porcupine, Sturgeon Falls, Kirkland Lake, Charlton and Englehart, have been maintained during the year in good operating condition."

**Canadian Salt Co., Ltd.**—Net profits, for the year ended December 31, 1919, were \$136,286, compared with \$136,565 for the previous year. Operating profits amounted to \$226,881, as against \$223,342 in 1918. E. G. Henderson, the president, points out that from the gross profits paid interest on bonds, \$24,000; sinking fund, \$10,000; interest on overdraft, \$14,849.09; income tax for 1917, \$1,669.99; directors' fees, \$4,440, and dividends amounting to \$64,000, in addition to which \$33,335 was reserved for depreciation, and \$2,300 written off patent rights, leaving a balance of \$72,286 to be added to the surplus, bringing the balance on this account up to \$595,858.

"Great difficulty was experienced during the year," says Mr. Henderson, "in obtaining a requisite supply of fuel, owing to strikes and embargoes in the United States, and in addition at times the supply of hydro power was greatly curtailed which prevented your plant being operated to its full capacity. The value of the plant has been increased by \$39,073.21, representing coal handling plant erected at Windsor and improvements at the Sandwich and chemical plant. A further payment of \$10,000 has been made on your Sandwich property leaving the balance now due \$50,000. We are obliged to carry large stocks of raw material owing to the difficulty in getting reasonable delivery, which explains the necessity of overdraft."

The annual meeting of the company will be held on March 10th, when it is proposed to increase the capital stock from \$800,000 to \$1,500,000.

**Howard Smith Paper Mills, Ltd.**—Profits of the company for the year 1919 amounted to \$429,228, an increase of 70 per cent. over the previous year and 114 per cent. over 1917. Total revenue amounted to \$437,990, and after all deductions, including a liberal allowance for depreciation, there remained a balance of \$181,552 to be carried forward to general reserve, making a total reserve of \$643,793. The balance sheet shows excess of current assets over liabilities of \$471,554, as compared with \$84,346 in 1918. Funded debt and capital stock issues were increased by nearly \$3,000,000, while investments in other companies, representing chiefly the acquisition of the Toronto Paper property, increased to \$2,241,798. The bank indebtedness of \$200,000 was completely wiped out. In his report to shareholders, C. Howard Smith, president, said:—

"The year 1919 was a difficult period in which to carry on a large manufacturing business. It was impossible to forecast the general trend of the market and there were many rapid changes in conditions, but, notwithstanding this, there was always a plentiful supply of orders, both domestic and foreign. Your company is in a very favorable position as regards orders, being booked for several months ahead. With the additional tonnage which we are putting on the market, we hope to be able to catch up with our back orders and give prompt delivery to our customers. The company's foreign trade is increasing to a considerable extent and its products have been placed in the different markets of the world. The Canadian demand, however, does not permit supplying the tonnage which could be taken for export, and the policy of the company in taking of domestic business first will be continued. With the additional tonnage provided for, it is hoped to take care of a greater quantity of export business."