Corporation Finance

Sharp Drop in Profits of Canadian Car and Foundry Company Due to Unsettled Conditions During Early Part of the Year—Increased Earnings by Canada Iron Foundries — Financial Statement of Dominion Glass Company Reflects Prosperous Year—Halifax Shipyards Outlook Promising

Dominion Foundries and Steel, Ltd.—In connection with the offering of $800,000 7 per cent. cumulative preferred stock of the Adirondack Steel Foundries Corp., of Albany, N.Y., the following statement of the company's affairs has been issued by the parent company as at November 30 last: Cash and accounts receivable, $109,426; raw material and work in process, $72,239; fixed assets, $890,270; deferred assets, $10,655; total assets, $1,082,592; accounts payable, $75,581; bills payable, $175,000; deferred, $2,944; common stock, 40,000 shares, no par value, carried on books at value of $200,000; preferred stock, $610,000 ($10,000 sold during interim); profit and loss (first four months' operations), $19,-067. The $190,000 unissued Adirondack preferred is included in the present offering. This amount, not shown in the statement, will accrue to the Adirondack company and the balance of sale $600,000 will accrue to the Dominion company.

British Columbia Electric Railway Co.—In a deal by way of debenture guarantees representing between $7,000,000 and $8,000,000, and stock purchase, the company is acquiring control of the Western Canada Power Co. In New York City on December 23 the Western Power directorate will resign, to be replaced by administrative officers of the British Columbia Electric Railway Co., headed by George Kidd, general manager. All arrangements for the transfer have been completed. The option given representatives of British Columbia Electric Railway Co. by the majority shareholders of the Western Power Co. of Canada on Western Power of Canada preferred at $70 per share and on Western Power of Canada common at $35.10 per share has been exercised. Payment for the shares deposited will be made on December 23 next.

The British Columbia Electric Co. has agreed to accept up to May 15 next additional Western Power preferred and common shares that may be deposited up to that time, at the same price and on the same terms governing purchases of stock already deposited. It is felt that the completed arrangement which was carried through by Royal Securities Corporation, places the securities of Western Power Co. of Canada in a much stronger position than before.

Halifax Shipyards, Ltd.—The annual meeting of the company was held in Montreal a few days ago, when H. B. Smith, president, reported a satisfactory year. The net result of the year, as disclosed in the annual report, showed a substantial surplus, with the outlook for the coming year of a most promising nature.

President Smith, in his address to the shareholders present, stated that the Canadian "Signaller," constructed for the Canadian Government Mercantile Marine, a ship of 8,300 tons dead weight carrying capacity, had been constructed, launched and delivered during the period covered in the report. The vessel, he stated, had conformed to the highest classification of Lloyd's, and a sister ship would leave the ways at Halifax on December 18, when Sir Robert Borden would act as sponsor of the new craft.

Two other ships, Mr. Smith said, of 10,500 tons capacity each, were in course of construction at the shipyards of the company, and it was anticipated that delivery of these would be made by June of next year. In addition, the Halifax concern has a large volume of repair work on hand. Mr. Smith also reported that the company has in prospect orders for the construction of five large oil tankers, the booking of which is almost consummated. This work will be sufficient to keep the Halifax yards, as well as those of the Davie Co. at Levis and the Tidewater Co. at Three Rivers, busy during the whole of the coming year.

Dominion Glass Co., Ltd.—The financial statement of the company for the year ended September 30, 1920, reflects prosperity. Profits for the 12 months amounted to $757,989, an increase of $126,265, or slightly in excess of 20 per cent. over those of the preceding fiscal period. After deducting bond interest, preferred and common dividends, which aggregated the same as in the previous statement, there remained a balance from the year's operations of $235,989, compared with $109,724 at the end of the previous period. The amount available for application to the common shares is shown in the statement at $405,989, representing earnings at the rate of 9.55 on the securities, against 6.58 per cent. in 1919. Profit and loss balance carried forward was $725,-544, compared with $489,555 a year ago, although in the latter period a reserve fund of $500,000 was established.

The working capital position is slightly below that of a year ago. Sir Charles Gordon, president, points out in his report that the showing is more noteworthy, in view of the fact that extensive additions and improvements were effected during the year. The figures compare as follows:—

	1920.	1919.
Current assets	$2,485,966	$2,048,166
Current liabilities	1,027,057	520,727
Working capital	$1,458,909	$1,527,439

The balance sheet, as a whole, is a commendable one, as the following comparisons will illustrate:—

	1920.	1919.
Properties, etc.	$ 4,720,173	$ 4,292,208
Patents, goodwill, etc.	4,600,920	4,600,000
Inventories	1,051,359	834,369
Accounts receivable	1,297,879	937,182
Cash	92,604	268,855
Investments	220,880	120,188
Total assets	12,066,350	11,092,079
Bonds' account	1,578,300	1,650,800
Accounts payable	584,389	207,399
Accrued charges	354,668	225,322
Depreciation reserve	907,549	674,388
Sinking fund	446,765	374,040

Canadian Car and Foundry Co., Ltd.—A sharp reduction in profits is shown in the statement of the company for the year ended September 30, 1920. Subject to government taxes, profits for the year under review were $539,397, as against $1,887,634 in the previous period. The surplus carried forward was also reduced, the figure being $6,243,603, subject to government tax, as compared with $7,061,556 for 1919. The profits of the company were severely affected by strikes in the plants of the company, and more particularly by the congestion in the American steel mills, which followed on the strikes in the United States. These developments greatly retarded shipments from the various plants.

On the other hand, the report shows that the company entered the new fiscal year with the greatest amount of business on hand in its history, the value of unfilled orders totalling $26,000,000, as compared with $8,500,000 at the end of the previous year.

The general statement of assets and liabilities shows some important changes. This is probably due to the large amount of unfilled orders on the books of the company, which are now being filled. These large orders are reflected more particularly in the inventories of manufactured and partly manufactured products, and these now stand at $14,788,960, as against $7,394,225 a year ago. Accounts and bills receivable amount to $4,105,888, up from $2,326,184; temporary