

INVESTMENTS AND THE MARKET

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

St. Lawrence and Chicago Steam Navigation Company.—Tentative proposals have been made to the company for the purchase of its four steamships, "Hagarty," "Osler," "Matthews" and "Iroquois," by brokers which are understood to represent the Canadian Steamships Lines. The paid-up capital of St. Lawrence Navigation is \$966,000, and, according to its last statement, it had in its treasury cash amounting to \$380,000.

National Steel Car Company.—The directors of the National Steel Car Company has decided to pay the dividend of 7 per cent. for the current year and to leave the matter of the deferred dividends in abeyance for the time. It was stated after the meeting that the company required its surplus earnings to finance its operations, which are at present large, but the directors felt that the shareholders should be assured of a return this year.

Hollinger Gold Mines, Limited.—The company's gross profits for the four weeks ended February 25th were \$169,905. The company's expenditures were \$20,609. Mr. P. A. Robbins, general manager, reports the mill ran 94.3 per cent. of the possible running time, treating 43,679 tons, of which 30,658 tons were Hollinger ore and 13,021 tons were treated for Acme Gold Mines, Limited. The average value of Hollinger ore treated was \$9.01. Milling costs on 30,658 tons were \$0.815 per ton.

Maple Leaf Milling Company.—At a meeting of the directors of Maple Leaf Milling Company, Limited, the board decided to place the common stock upon an 8 per cent. dividend basis, 2 per cent. to be payable quarterly, the first quarterly payment to be July next. In addition, a special dividend of 3 per cent. on the common stock was declared, payable on April 18th next to shareholders of record April 4th. The usual quarterly dividend of 1 3/4 per cent. was declared on the preferred stock.

Canadian Westinghouse Company.—The company had a successful year, according to the reports submitted at the annual meeting. The financial statement to December 31st shows net earnings of \$860,628. The company has a surplus of \$2,570,000 and is in good condition financially. A dividend of 9 per cent. was paid during the year.

The following directors were elected: Messrs. H. H. Westinghouse, L. A. Osborne, P. J. Myler, T. Ahearn, J. F. Miller, W. Y. Soper, C. S. Sise, Chas. A. Terry, G. E. Cripp and Sir John M. Gibson.

Montreal Light, Heat and Power Company.—The February statement of the earnings is as follows:—

	1916.	1915.	
Gross	\$ 620,594	\$ 588,311	+ \$ 32,283
Expenditure ...	251,707	245,524	+ 6,183
Net	\$ 368,886	\$ 342,787	+ \$ 26,099
Charges	40,609	39,636	+ 973
Surplus	\$ 328,277	\$ 303,151	+ \$ 25,126
The returns for ten months compare as below:—			
	1915-16.	1914-15.	
Gross	\$5,709,100	\$5,534,477	+ \$174,623
Expenditure	2,406,794	2,429,860	— 23,066
Net	\$3,302,305	\$3,104,616	+ \$197,689
Charges	406,096	361,055	+ 45,041
Surplus	\$2,896,209	\$2,743,560	+ \$152,649

Monarch Knitting Company.—Net profits for the Monarch Knitting Company for the year ended December 31st were \$83,533, as compared with \$80,452 for the thirteen months ending November 30th, 1913.

Dividends amounting to \$52,500 were paid, leaving \$31,033, as compared with \$23,577 for previous thirteen-month period. A balance of \$163,356, brought forward from the

previous accounts, made a total of \$194,889 at the credit of profit and loss account.

The balance sheet shows liquid assets of \$943,862, against \$904,781 a year ago, the chief increase being in inventories of merchandise, which stand at \$517,519 against \$387,128. Cash on hand increased from \$28,513 to \$45,713. Total assets amount to \$2,721,097. Current liabilities are \$492,458, against \$473,742 a year ago.

President F. R. Lalor states that for 1916 the orders booked to date show a substantial increase over same period last year.

Algoma Central and Hudson Bay Railway.—After much negotiation, an arrangement has been arrived at for adjusting the rights of the bondholders in the Algoma Central Terminals and the Hudson Bay Railway Company, respectively, without litigation. The scheme is a complicated one, but, in short, the holders of the £1,000,000 terminal bonds in existence will get a prior charge of 3 per cent. per annum before any interest is paid on the Algoma Central and Hudson Bay Railway bonds. The earnings will then be shared *pari passu* until 5 per cent. is paid to the terminals; thereafter the railway will receive up to 5 per cent. and the surplus will be devoted to any arrears, and then to 3/4 per cent. additional to the terminals and 1 per cent. to the railway. The unexpended proceeds of the terminals' last issue—viz., £200,000—will become available for the purposes of the two companies, and 60 per cent. of the preference shares of the railway company will be divided, so that \$75 of preference shares will be allotted to each £100 of terminal bonds and \$110 of preference shares to each £100 railway bond. Both classes of bonds will thus share in the future prosperity of the companies.

Severe criticism concerning the position in which the Algoma bondholders have been landed appeared in the London "Financial News" this week, and called here by the Canadian Associated Press. They were given a specific first mortgage on specific property, but are now in the position of a second mortgagee, and without consideration or notice. "The whole episode will leave a nasty taste in the mouth of the investing public as a whole," declares the "News." "Canada wants the good-will of the small investor, but at the very moment when his numbers are increasing, this disastrous shadow has been flung across his faith in the unbroken tradition of Canadian even-handedness. If we put the damage to Canada at ten millions sterling, in money diverted for investment in other directions, we shall not exaggerate. We do most emphatically say that as sure as the small investor is given the scurvy treatment received in this affair it must not be typical of Canadian methods."

WHY THE 15-YEAR BONDS WERE POPULAR

The 15-year maturities of the Canadian loan in the United States were the most popular of the three (5, 10 and 15 years). The information of *The Monetary Times* is that the long-term bonds were over-subscribed very heavily, the other maturities being over-subscribed. The 5-year bonds were the next best in the eyes of investors. Canadian bond brokers think that had there been twice as many 15-year bonds and no 10-years at all, the satisfactory result of the loan would have been achieved just the same.

Some brokers think that the reception of the 15-year bonds indicates a breaking away from the recent preference for short term issues, provided the terms can be made attractive to investors. Last summer when the government made its first attempt to borrow in the New York market, it had to be content with selling one and two-year note issues, a form of financing deemed desirable by borrowers only in special circumstances. But the question of price probably had the greatest influence with purchasers of the 15-year bonds. The 10-year bonds were offered on a 5 3/4 basis, and the 15-years on a 5 1/2 basis. The difference in the two maturities and the difference in the two prices were not of equal proportions. That is apparently what buyers thought, and they chose the higher yield. However, the prices were naturally figured carefully by those responsible for the offering, and they presumably based the middle price of the three, namely, 5.10, 5 3/4 and 5 1/2 on at about the selling price of the recent domestic loan, 5.30.

Brokers agree that the government was well advised to make the issue now, this being deemed the psychological moment.