

FINANCIAL FACTS

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The regular run of business news adhered last week to its recent cheerful tenor but yielded precedence to the overshadowing import of Germany's defiant action in throwing off the shackles of Versailles and Locarno to the accompaniment of pronounced weakness in New York and Canadian stock markets which suffered their most severe setback since inception of the advance that has proceeded virtually without interruption for approximately one year.

The "symbolic" entry of German troops into the Rhineland accentuated, of course, the tension that has prevailed in the European political situation ever since Mussolini openly flouted the League of Nations by invading Ethiopia in a war of conquest, ostensibly to secure an outlet for "overcrowded" Italy. But more than one student of world affairs saw in Hitler's move the possible creation of a basis for European peace with reasonable prospects for endurance such as never existed under the intolerable conditions imposed in 1918. Reaction of press and public in England raised some hopes in this connection but it remains to be seen whether general agreement can be attained in spite of conflict between the inflamed feelings aroused by Fascist dictatorships in Germany (and Italy) and the fears of a resentful France. Consensus of intelligent opinion discounts the likelihood of imminent continental hostilities but admits the situation is highly inflammable.

Sensitive markets for basic commodities did not act as might have been expected on the eve of actual conflict. Wheat was moderately stronger but no more so than could be explained by recent stepping up of legitimate demand and did not suggest buying in expectation of war. Leading base metals, including copper lead and zinc, showed no particular trends.

It is early yet to decide whether last week's acute weakness in New York and Canadian stock market was a minor technical readjustment or whether it was the beginning of a more serious downturn with the markets performing their time-honored function of discounting future changes in business activity and corporation earning power. Certainly, however, there was no visible evidence of the latter eventuality. Business news in the United States, where the market reversal had its origin, continued eminently optimistic. Especially was this true of the heavy industries which have been the source of greatest encouragement in recent weeks. Latest figures showed steel operations advancing with improved weather have a good effect on demand for construction steel and road manufacturing machinery while railroad buying continued more active. Increasing railroad earnings, augmenting equipment demand and facilitating further financing, held promise, moreover, of extending this trend. Electricity output continued to run around ten per cent. ahead of a year ago. Automobile retail sales are picking up and first quarter output seems likely to equal last year's in spite of introduction of the 1936 models in October, 1935. Consumer buying in general has started another forward surge.

Stimulus of reviving general business upon consumption of newsprint saw February output reach 221,569 tons, up 41,264 tons, with the total for the first two months touching a new all-time record of 449,524 tons. Rapid progress is thus being made toward the point where the Canadian producers should be able to force a more economic price for their output.

ACADIA SUGAR

Net profits \$550,028 in 1935 vs. \$585,944 in 1934; net available for dividends up from \$173,997 to \$237,633.

BRAZILIAN TRACTION

January net off \$49,648 to \$1,310,481.

B. C. PACKERS

1935 net loss after charges \$32,250 vs. loss of \$18,188 in ten months ended December 31, 1934.

B. C. TELEPHONE

1935 net profits \$675,372 vs. \$646,553 in 1934.

CANADA NORTHERN

Net per share 7 per cent. preferred in 1935, \$22.21 vs. \$20.86 in 1934; net on common \$1.89 a share vs. \$1.70 in previous year and \$1.20 dividend rate.

CANADIAN CELANESE

Initial quarterly dividend of 40c. declared on common establishing \$1.60 annual rate; participating dividend of 95c. declared on preferred; \$1 declared on "rights."

CAN. GENERAL ELECTRIC

Dividend rate increased from \$3 to \$5 per annum.

C. N. R.

Gross revenues weekly period ended February 29 up \$611,350 to \$3,888,960.

CHAS. GURD

Earnings first two months 1936 ahead of last year.

DOMINION COAL

February production 207,903 tons vs. 235,745 last year.

DOMINION STORES

Sales four weeks ended December 22, up 7.36 per cent. to \$1,452,088. First eight weeks sales up 11.1 per cent. to \$2,865,566.

DONNACONA PAPER

1935 profits before interest and depreciation \$207,076 vs. \$206,522 in 1934.

MONTREAL POWER

February electricity output up 9.94 per cent.; two months up 5.72 per cent. February gas output up 4 per cent.; two months up 0.92 per cent.

RELIANCE GRAIN

In 12 months 1935, available for dividends was \$93,754, or \$4.69 per share \$6.50 preferred stock, vs. \$214,879 in 17 months ended December 31, 1934.

ROLLAND PAPER

Business first two months of current fiscal year approximately same as last year.

SHAWINIGAN

Public offering made of \$17,000,000 4 per cent. 25-year bonds to provide funds for redemption of 5's of 1970.

WILLARDS CHOCOLATES

Net earnings \$70,313 in 1935 vs. \$46,055 in 1934; after depreciation loss was \$137 vs. \$14,945 in 1934.

Ottawa Starts Another Drive Against Rights of Provinces

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direct taxation within their vinctial debts. The Sovereign Rights of the Provinces must be maintained. Why should the Dominion be given any more rights than at present. The Provinces should always maintain their individuality and they should guard with all their forces the rights which are theirs.

The Provinces, and especially the Maritime Provinces, should stand firm on the Confederation contract and they should use every means in their power to preserve their rights. If the terms of the Confederation had been carried out as intended by those who framed them, the present problems would have been avoided and the Dominion Government would have no need for attempting to get control of the finances of the Provinces.

Estimated Deficit Is Forecast In The N. B. Budget Speech

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Province is \$53,351,138, an increase of \$4,939,758 over the previous year.

The New Brunswick Liquor Control Board is expected to produce \$149,238 more than last year and succession duties are expected to yield \$300,000 this year, which is \$115,000 less than received last year.

While the budget is not balanced, it will be a relief to the people to know that Premier Dysart has made the statement that direct taxation will not be resorted to in order to balance the budget, which will be the object of the Government.

TROOPING THE COLORS ON THE NEW KING'S BIRTHDAY

London.—The King's birthday ceremony of trooping the color on the Horse Guards Parade will take place this year on June 23, King Edward's birthday.

Then the King will ride at the head of his troops for the first time as King. As Prince of Wales he has on occasion deputised for his father at the ceremony on King George's birthday, June 3.

As King Edward's birthday is in

INVESTMENT YIELDS

Compiled by PITFIELD & COMPANY

COMMON	Rate Div.	Price (Approx.)	Yield %
Bell Telephone	\$6.00	145	4.14
B. A. Oil	.80	21½	3.72
B. C. Power A	1.60	30½	5.25
Building Prod. A	1.00	35	2.86
Can. Malting	1.50	31¾	4.72
Can. Nor. Power	1.20	24	5.00
Can. Bronze	.60	38	1.58
Can. Converters	2.00	25	8.00
Can. Cottons	4.00	45	8.89
Can. For. Invest	1.60	30	5.33
Dominion Bridge	1.20	36	3.33
Dominion Textile	5.00	73	6.85
Imperial Oil	.50	22	2.27
Imperial Tobacco	.52½	14	3.75
International Nickel	1.00	48½	2.06
Inter. Pete	*1.50	36¾	4.08
McColl Frontenac	.80	16	5.00
Montreal Power	1.50	32½	4.62
Montreal Tramways	9.00	99	9.09
National Breweries	1.60	41½	3.86
Ogilvie	8.00	220	3.64
Ottawa Power	6.00	94	6.38
Page-Hersey	3.00	89	3.37
Penmans	3.00	48	6.25
Quebec Power	1.00	17½	5.71
Shawinigan	.60	21	2.86
Steel of Canada	1.75	61	2.87
BANKS			
Montreal	8.00	189	4.23
Nova Scotia	12.00	285	4.21
Canadien-Nationale	8.00	137	5.84
Commerce	8.00	157	5.10
Royal	8.00	177	4.52
PREFERRED			
Can. Nor. Power	7.00	109	6.42
Can. Bronze	7.00	109¾	6.38
Can. Celanese	7.00	122	5.74
Can. Cottons	6.00	105	5.71
Can. For. Inv.	8.00	105	7.62
Dominion Textile	7.00	140	5.00
Goodyear	2.50	54	4.63
Jamaica Pub. Ser.	7.00	125	5.60
Mont. Cottons	7.00	95	7.37
National Breweries	1.75	41	4.27
Ogilvie	7.00	153	4.58
Ottawa Power	6.50	101	6.43
Penmans	6.00	122	4.92
Power Corporation	6.00	98½	6.09
So. Can. Power	6.00	99½	6.03
Steel of Canada	1.75	55¾	3.14
Tuckett Tobacco	7.00	150	4.67
Walker-Gooderham	1.00	18	5.56

* Does not include extras.

June, this colorful ceremony will still be a summer one.

It is understood that the King will present new colors to battalions of the Foot Guards on July 16.

CONFUSING

"Do you keep papers for a week back?"

"No, we keep most things, but for a week back I'd advise you to get a porous plaster."

GOVERNMENT, MUNICIPAL and CORPORATION BONDS

BOUGHT—SOLD—QUOTED

EASTERN SECURITIES COMPANY, Ltd.

HALIFAX MONCTON SAINT JOHN
CHARLOTTETOWN SUMMERSIDE

TORONTO TICKER SERVICE

PITFIELD & COMPANY

STOCK BROKERS

20 King Street, Saint John, N. B.

MONTREAL OTTAWA HALIFAX CAMPBELLTON
CONNECTED BY PRIVATE WIRES

GOVERNMENT MUNICIPAL & CORPORATION SECURITIES

INQUIRIES INVITED

T. M. Bell & Company, Limited

MONCTON HALIFAX SAINT JOHN FREDERICTON

GOOD SECURITIES

John M. Robinson & Co., Limited

SAINT JOHN, N. B.