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Financial  
Bulletins

## CANADIAN COTTONS

The Company reports a net profit of \$116,543 for the year ended March 31st, equivalent to \$3.19 per share on the \$6 Preferred and, after Preferred dividends, equivalent to deficit of \$3.79 per share on the Common stock which paid \$4 in dividends, for the year past, thus carrying forward a deficit and loss of \$211,767 which compares with earnings of \$7.57 on the Preferred and \$2.11 on the Common in the year previous and \$9.83 on the Preferred and \$5.17 on the Common in the 1936-37 fiscal period. Earnings for the last two years were, however, after a substantial write-off to depreciation of \$750,000 and \$900,000 in 1936-37. The balance sheet reflects an improvement in net working capital of approximately \$400,000 to \$5,518,500, of which nearly \$4,000,000 is represented by cash and investments.

Although the outlook for the textile industry is uncertain, due to the new United States-Canadian Trade Treaty, the extremely strong financial position of this Company warrants the retention of the shares by investors presently holding them, although we would not recommend new purchases until such time as the industry shows signs of revival.

ASSOCIATED TELEPHONE  
& TELEGRAPH

The Company reports net earnings of \$1,087,431 equivalent to 1.63 times interest on the funded debt, which compares with \$1,443,360, or 2.14 times interest in 1937. After in-

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Huge Loans Needed By Franco May  
Guarantee Neutrality of Nation

PARIS, May 16 — French financiers reported recently the Generalissimo Francisco Franco is seeking a \$100,000,000 foreign loan to reconstruct war-torn Spain for which he may be obliged to post a pledge of neutrality and agree not to join the Italo-German military alliance.

Franco was said to have sounded out British and continental bankers. The loan would be Spain's first foreign borrowing since the Republican regime obtained funds from France in 1931 to stabilize the peseta.

British and French bankers in particular were reported to have demanded that Franco's nationalist government in exchange for the loan give assurances that Spain would follow an independent and neutral foreign policy.

(Reports from Berlin two days said that Chancellor Adolf Hitler was anxious to extend the projected Italo-German military alliance to include Spain's army, thereby throwing the shadow of the totalitarian alliance across all three of France's frontiers. The reports were followed yesterday by indications that Franco may visit Berlin and Rome soon.)

The European bankers, before considering Franco's desire for a loan were said to have demanded the right to send some prominent economist such as former Premier Paul van Zeeland of Belgium to Spain to make an impartial economic survey showing the country's actual condition and possibilities.

## LACKING GOLD

Lacking gold because virtually the entire reserves of the Bank of Spain were shipped aboard and disposed of by Republican regimes during the

latest charges, income was equivalent to \$4.44 on the combined 7% and \$6 First Preferred stocks as compared with \$7.82 in the preceding period. After special write-off to reserves earnings of \$3.19 were shown as against \$7.07 in 1937. The balance sheet showed net working capital of \$427,180 a substantial amount over the \$280,918 shown at the end of the previous year.

## STADACONA ROUYN

The Company has decided to deepen the present shaft to 2,000 feet from the present 1,210 feet level. It is expected that April production figures will show approximately \$65,000 gross. Ore reserves as of March 31st are estimated at 240,000 tons, principally above the 600 foot level.

## CHARLES GURD

The Company reports earnings equivalent to 66c per share on the 60,000 shares of Common stock outstanding for the year ended March 31st, 1939 as compared with 69c the year previous. Net working capital of \$350,442 was \$4,000 less than that shown the year previous. It is of note that cash on hand of \$62,000 less is about two and one-half times all current liabilities. Dividends of 30c per share were paid during the year, corresponding to those paid in the 1937-38 fiscal period. The above statement would indicate that the shares, currently selling around \$5½ to yield about 5.45%, are quite reasonable priced.

## CANADIAN OIL

On account of the criticism offered in some quarters to the proposed plan of refinancing, the offer of underwriting by Nesbitt Thomson & Company was withdrawn and the special meeting of the Company terminated, even though sufficient proxies to authorize the change were in the hands of the management.

## IMPERIAL OIL

The Company announced construction of an entire combination refining unit at a cost of some \$1,783,000 at Calgary, work to be started next week. This new plant is scheduled to be in operation at the end of 1939. Such a move gives further indication that this important oil company feel that the Turner Valley development is worthy of major investment and consideration.

## CANADA STEAMSHIP LINES

A rather disappointing development early in the navigation season is an agreement to cut grain rates from the head of the Lakes to Montreal from 6c to 5c a bushel. Last year the rate held firm around 6c, moving up to 7c in October and November. In 1937, however, rates had fallen as low as 3c in the late Spring and Summer.

civil war to provide arms and munitions, Franco may be obliged to pledge Spain's neutrality and attempt to borrow on the security of Spanish labor.

The French Government has not returned to Franco \$31,800,000 in Bank of Spain gold deposited here by the Republicans.

Reports in French financial circles said that a group of continental banks had agreed to finance the reconstruction of Spain providing neutrality guarantees are made. The banks were identified in the reports as Mendelssohn of Amsterdam and the French banks of Lazard Brothers, Louis Dreyfus and the Bank of Paris et des Pays Bas.

The banks are dominated largely by Jewish interests anxious to make sure that Spain does not affiliate herself with the racial measures of Germany and Italy.

Their demands for the right to send some impartial economic expert to Spain to survey conditions resulted from rumors on the Paris Bourse that Spanish industry had fallen into the hands of German engineers who went to the Iberian Peninsula by the thousands after the war to reorganize industry along Nazi lines.

A report from Perginan on the Franco-Spanish frontier recently said that 750 additional German "technicians" had arrived at the Spanish Port of Vigo, bringing the total to 10,600.

Franco was said to have contracted with German firms for reconstruction material and supervisory.

As far as could be learned in Paris, Franco intends to respect the former Spanish contracts with American firms for the upkeep of Spain's telephone and radio communication system built shortly before the outbreak of the civil war in July, 1936.

Spain still owes American firms about 1,000,000,000 gold pesetas in the form of credits and advances for the installation of the telephone system and telephone equipment factories.

DEPT. FINANCE  
REMINDS OWNERS  
OF REGULATIONS

A bulletin from the Department of Finance, Ottawa, warns prospective borrowers under the National Housing Act that applications for loans must be made prior to the start of construction. If construction is commenced before final written approval is received the borrower does so at his own risk, and if the minimum standards of construction and the memorandum specifications are not strictly observed the borrower is not eligible for a loan under the Act, the bulletin points out.

Should the borrower wish to proceed with the construction he may do so at his own risk. Up to a certain point he may excavate, lay the footings, build the basement walls, and after inspection by the lending institution inspector, may complete roofing and backfilling. Up to this point he is eligible for a National Housing Act loan, but he must not proceed any further, otherwise the loan cannot be granted. As soon as final approval is received he may proceed with the construction.

If the borrower has signed his loan application prior to the start of construction, and his plans and specifications are complete and comply with all National Housing Act requirements, then he may be reasonably sure that final approval will be granted before the construction has reached the point outlined. If the plans and specifications do not comply in every respect, then he must understand that the responsibility for the delay in approval rests entirely upon him; it is stressed.

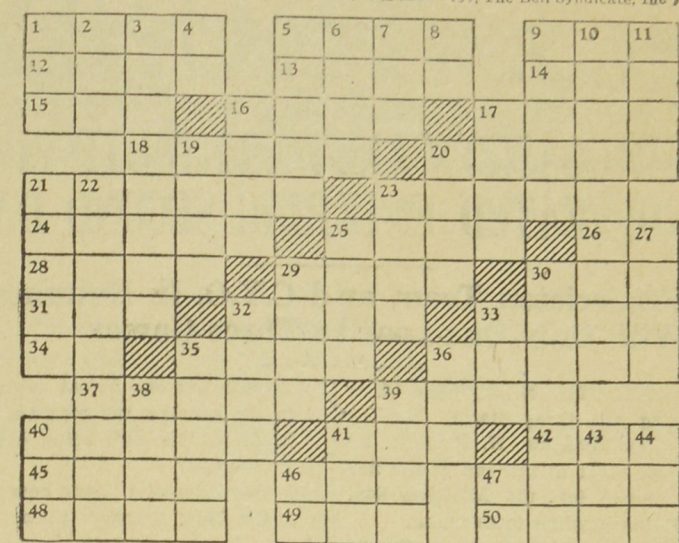
TORONTO SEATS  
COST \$5 TO \$25

TORONTO, May 16. — Spectators at one bleacher along Toronto's Royal parade route will be able to wait for the King in swing.

"No monotonous waiting," asserts one advertiser, "A popular orchestra will be in attendance to help make the occasion a happy one for you." And with each seat goes a free free A seat costs \$5. Other seats are selling as high as \$25.

No. 4493

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## HORIZONTAL

1 Stuffs  
5 Remain  
9 Male person  
12 Exchange discount  
13 Ripped  
14 Mimic  
15 Form of "to be"  
16 Liquid measure  
17 Gratuities  
18 Threefold  
20 Labyrinths  
21 Released spring of  
23 Lodge  
24 Grade  
25 Heap  
26 Toward  
28 Every one  
29 Pitch  
30 Kind of fish  
31 Insect egg  
32 Docile  
33 Rough, hard particles  
34 Type measure  
35 Dovetail  
36 Whimpers  
37 Biblical weeds

## VERTICAL

1 Dog's foot  
2 Turkish title  
3 Disturb  
4 Therefore  
5 Give sharp, burning pain  
6 Sound  
7 Skill  
8 Old pronoun  
9 Corn  
10 Refer  
11 Headland

## 16 Transfixes

17 Story  
19 Bold  
20 Measure of distance  
21 Part of play  
22 Mournful  
23 Prong of a fork  
25 Many cell-fruit  
27 Worthless leavings  
29 Markers  
30 Given  
32 Row  
33 Tibetan gazelle  
35 Welcome  
36 To cut  
38 Pledge  
39 Gown  
40 Lair  
41 Rest  
43 Anglo-Saxon money  
44 Footlike part  
46 Egyptian sun god  
47 Therefore

## Answer to Yesterday's Puzzle

No. 4492  
FATS TAL RAFT  
ANIL ORE EMIR  
MOTÉ AMICABLE  
ENTE DO AMOLE  
EKE RAM  
CAR LAST MARE  
ARENAS ORIGIN  
DADO POME GAS  
ESS TOR  
BLAST IO RIME  
RELEASES DEAT  
ANSWERS EVIT  
TEES ASA REDIS

SERVED IN NORTH  
16 YRS., TO RETURN  
AFTER HOLIDAY

ST. BONIFACE, Man., May 16. — After serving for 16 years as a teacher at Aklavik Islands, Fort Chipewyan and Fort Resolution in the Northwest Territories, Sister Josephine Desault of the Roman Catholic Order of Grey Nuns has returned to her home here for a rest. She plans to go back north in a few months. Except for the huge transport buses which she described as novel and interesting, Sister Desault expressed

little surprise at the changes which have taken place since she left civilization for the Arctic Circle in 1923. She is principal of the school at Mackenzie Delta post, 1,200 miles north of Edmonton on the mouth of the Mackenzie River where she instructs Eskimo and Indian children.

"It is not new for our people to surmount obstacles and bring order out of chaos,"—Herbert H. Lehman. "As a Frenchwoman, I know the blessings of democracy,"—Mlle. Eva Curie.

"China will never stop fighting, yet my people are at heart the most peace-loving people in the world,"—interesting, Sister Desault expressed Mlle. Wellington Koo.

## MR. PICOBAC'S CRONIES



PRESENTING LES SHARPLES, PROPRIETOR OF THE ONLY AND ORIGINAL TWO-CHAIR BARBER SHOP IN ESSEX CENTRE.

## "Listen, Mr. Picobac."

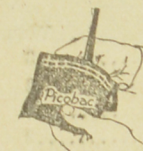
said Les

Razor in hand, Les Sharples, proud proprietor of the original two-chair barber shop of Essex Centre, paused and declared, "Nobody trusts a mugwump. You never know which side of the fence he is on."

"I'm not talking about mugwumps," replied Mr. Picobac brushing the blue smoke aside. "I'm talking about keeping an open mind. An M.P. should vote and smoke as his conscience guides."

"You always smoke the same kind of tobacco, I notice," continued Les.

"You bet I do," rejoined the Burley philosopher. "I smoke Picobac, the pick of Canada's Burley Crop, grown in Sunny Southern Ontario. I like a mild... cool... sweet smoke. The more I smoke it, the better I like it. But I'm open-minded. You show me anything better and I'll try it; but you can't do it."



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