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Financial News and Comment

Note.—The Railroad and Industrial Digest, Notes on Public Utilities, Oil Notes and Mining Digest, contain condensations of the latest news regarding the companies mentioned. The items are not to be considered official unless so stated. Neither THE MAGAZINE OF WALL STREET nor the authorities for the various items guarantee them, but they are selected with the utmost care, and only from sources which we have every reason to believe are accurate and trustworthy. Investment commitments should not be made without further corroboration.—EDITOR.

RAILROADS

Ann Arbor.—1919 Earnings from Gov't Rental, $3.06 a Share on Pfd.—The company for the year ended Dec. 31, 1919, shows net corporate income of $51,-154, equal to $1.27 a share earned on the $4,000,000 pfd. stock compared with a deficit of $15,969 in 1918. Excluding a net debit balance of $71,317 charged for the period to Jan. 1, 1918, earnings equal $3.06 a share on the preferred compared with $3.93 in 1918.

Federal operating account shows net income of $646,464 compared with Federal compensation of $528,000, a profit of $118,464 for the Government. If the road had had the benefit of actual earnings the year would have shown $1.04 a share earned on the $3,250,000 common stock after pfd. dividends.

Atlanta, Birmingham & Atlantic.—Shows Deficit.—This company reports for 1919 deficit after charges of $14,901, compared with 9 cents a share earned on $30,000,000 stock in 1918. In addition to rental of $480,000, the Government lost in actual operations last year $971,815 compared with a similar loss in 1918 of $529,856.

Central of Georgia.—Income Increases.—This road, which is controlled by Illinois Central, reports for 1919 net income equal to $7.65 a share on the $5,000,000 common stock compared with $6.10 a share in 1918, after excluding lap-over items. On an operating basis, hypothetical deficit after charges would have been $522,456 compared with net income in 1918 equal to $22.26 a share on the common computed on the same basis.

Chesapeake & Ohio.—1919 Corporate Income $10.05 a Share; Deficit Shown If Operated for Private Account.—The company's corporate account for 1919 shows net income, after charges and taxes, of $5,774,168, or $9.19 a share on the 62,792,600 stock, against $7.70 a share in 1918. Excluding $542,902, the excess of expenses over revenues for the period to Jan. 1, 1918, the earnings were equal to $10.05 a share against $7.85 in 1918.

Chicago, Milwaukee & St. Paul.—Electrification Indefinitely Postponed. Pres. Earling announces that there will be no further extension of the electrification of the system until earnings improve and the financial status of the company is bettered.

Grand Trunk.—To Borrow $25,000,-000.—The Canadian Minister of Finance announced plan to lend $25,000,000 to the Grand Trunk Railway to meet outlays for additions and betterments prior to March 8, 1920, the date on which the Dominion took over the property.

Great Northern.—Income Increases. The company reports for 1919 net income equal to $8.87 a share on the $249,-558,418 preferred stock (no common), compared with $8.04 in 1918. The increase was due to a gain of about $2,-200,000 in other income. No Federal income account was given.

Illinois Central.—New Issue Planned.—The company plans to issue $10,000,000 equipment trust certificates, and is in the market for 300 stock cars, 1,000 refrigerator cars, and 200 flat cars.

Pennsylvania.—Record No. Shareholders; Women and Foreign Holders.—Stockholders of the company on June 1 numbered 125,072, a new high level, against 123,887 on May 1. The average holding on June 1 was 79.84 shares, against 80.60 May 1 and 89.81 on June 1, 1919. On June 1 women stockholders numbered 60,016, against 59,589 May 1, and 54,404 on June 1, 1919. On June 1 foreign holders held 1.70% of the stock, against 1.89% June 1, 1919.

Southern Pacific.—Large New Los Angeles Station Proposed.—This company, the Los Angeles & Salt Lake R. R., and the Pacific Electric Ry. have proposed the establishment of a union station at Los Angeles to cost ultimately $16,809,000 with an immediate expenditure of $6,441,000.

The company's annual report for 1919 shows net income after taxes and charges, of $31,548,777, equal to $10.45 a share on the $302,024,905 stock against $28,684,916, or $10.38 a share on the $276,442,965 stock in 1918.

Against the guaranteed rental of $48,244,660, the Federal operating account shows net income of $43,910,304 or a loss for the Government of $4,-334,355 in 1919 against a profit of $7,-757,938 in 1918.

Had the company operated the road for its own account in 1919, the earnings on the common stock would have been $9.01 a share as compared with $13.82 a share in 1918.

St. Louis Southwestern.—March Earnings High.—Cotton Belt, one of the few roads to reject the six months' guarantee, reports net operating income for March of $588,273, the last month for which it has reported. Weighted for seasonal traffic, this is at the annual rate of about $7,800,000. On the basis of other income and charges in 1918, and allowing for 5% dividends on the preferred, now unpaid, this would leave about $3,750,000 for the $16,356,000 common stock. While a single month is a very narrow base on which to rest the projection of a year, indicated net would be at the rate of about $23 a share on the junior issue.

Toledo, St. Louis & Western.—Deficit Shown in 1919.—The company's report for 1919 shows surplus after taxes and charges of $78,204, equal to 78c. a share on the $9,952,600 pref. stock compared with deficit of $49,454 in 1918. After charging out lap-over items of $173,637 there was a deficit for the year of $59,433 against a deficit of $387,066 on the same basis in 1918.