

HISTORY AND GROWTH OF CANADIAN FINANCIAL AND INDUSTRIAL INSTITUTIONS

No. 8-- NOVA SCOTIA STEEL AND COAL CO.

This is the story of "Scotia," the company which has shown the way in the industrial development of Canada. Forty-two years ago Graham Fraser and Forest MacKay first turned out small iron forgings in a little shop on the river bank at New Glasgow. It is a far cry from the little wooden-beamed helve-hammer, the first piece of machinery the company installed, to its present modern equipped plants. Iron ship-knees were at first the main product. Now the company operates its own iron-ore mines, exporting large quantities annually to Europe and the United States; it owns the second largest group of

the name of the Nova Scotia Steel & Coal Company, the capital then being \$392,000. In 1891 some of the directors of the company and others associated with them organized the New Glasgow Iron, Coal and Railway Company, with a capital of \$1,000,000. This company purchased extensive iron-ore lands on the East River of Pictou and elsewhere, built a line of railway from Ferrona Junction, on the Intercolonial, to Sunny Brae, and also built a large coal washing plant, retort coke ovens and a blast furnace with Maselet-Crooke hot blast stoves at Ferrona, seven miles from New Glasgow. The blast



R. E. HARRIS, K.C.,
President, Nova Scotia Steel and Coal Co.

collieries in Eastern Canada, operates its own blast and open-hearth steel furnaces, while in its mills, forges and other steel furnishing departments, it produces a variety of articles ranging from an ounce spike to a 20-ton forging.

It is one of the few absolutely self-contained steel companies and for many years was the only company in this nature in Canada, controlling its own unlimited supplies of all the raw material entering into iron, as well as its furnaces, finishing departments, piers and transportation systems.

The company's operations are chiefly conducted at three different centres: Wabana, Newfoundland, where it mines iron ore; Sydney Mines, Cape Breton, where it operates five collieries, 150 coke ovens, a blast furnace, four open-hearth furnaces and extensive repair shops; and New Glasgow, Nova Scotia, where are located the head offices, together with the rolling mills, forges and manufacturing departments. Subsidiary lumbering operations are carried on at Gander Bay, Newfoundland, and Bridgeville, Nova Scotia, while the fluxes for its iron and steel furnaces are secured from limestone quarries at Point Edward, Cape Breton.

"Scotia's" claim that it was the pioneer in the Canadian steel and coal trade is indisputable. Not only was it the first to mine coal on a commercial scale and the first maker of steel ingots, but it erected the first modern coal washer on the American continent, and was also the first to adopt the retort coke oven and save the coke by-products. By proving the metallurgical value of Cape Breton coal it gave a tremendous impetus to iron and steel making in Nova Scotia, and assured the success of this industry by discovering and developing the inexhaustible iron-ore deposits of Wabana, practically at Nova Scotia's front door, while recent development of its submarine areas there, proving that the beds first discovered are but a fraction of great deposits extending far under the sea, has assured the permanence of this industry practically for all time.

Another notable forward step which has still further assured "Scotia's" place in the annals of progress was the installation of the equipment for the fluid compression of steel. As a result manufacturers in Canada have recently secured an order from the British War Office for shrapnel shells amounting to two million dollars, and further orders will undoubtedly follow. The castings for these shells are all made from Scotia fluid compressed steel and the Scotia Company is forging three thousand castings a day.

In 1872 the Hope Iron Works started business in a small way in New Glasgow, west of the Intercolonial Railway. Practically all its products at first went into the ships which were then so extensively constructed throughout the Province. Later on there followed the manufacture of railway car axles from forged scrap iron, and also railway track spikes made



THOS. CANTLEY,
1st Vice-President and General Manager, Nova Scotia Steel and Coal Co.

furnace was "blown in" in 1892. Two years later this company acquired the Wabana iron deposits, destined to play such an important part in its affairs and those of its successors.

The next step was, logically, the amalgamation of the New Glasgow Coal, Iron and Railway Company and the Nova Scotia Steel and Coal Company, which occurred in 1895, the old name of the Nova Scotia Steel Company being resumed and the capital brought up to \$2,000,000. The new company made rapid strides in the next few years, but one important step had yet to be taken to procure its own coal supply. This was accomplished in 1900, when the properties of the General Mining Association at Sydney Mines were purchased, securing to the company an unlimited supply of the best metallurgical coal. This called for another and last change in the company's identity, the present Nova Scotia Steel and Coal Company being organized in 1901 with a capital of \$6,000,000.

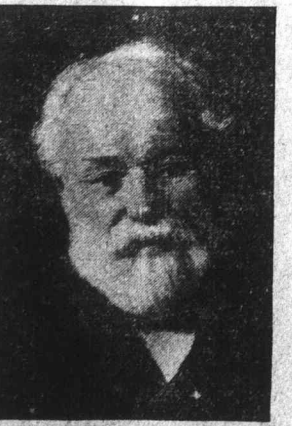
Then followed the transfer of the Ferrona operations to Sydney Mines, Cape Breton, which, in addition to being the site of the company's collieries, possesses much greater facilities for assembling all the material entering into pig-iron and steel. The larger and greatly improved plants now installed there have gradually replaced the original blast furnace at Ferrona and the open-hearth steel furnaces at New Glasgow.

Of the varied operations of "Scotia" those best known are probably the Wabana iron mines, situated in Conception Bay, on the eastern coast of Newfoundland, with its unequalled position commanding the markets of both Europe and the American continents. Their development has been one of "Scotia's" main achievements and one of its most profitable investments. Bell Island, where these mines are located, is 12 miles in area, and contains a number of seams of red hematite ore, of which three are economically important. These all outcrop on the north of the island, and extensive prospecting carried on by the company has proved that the land ore is but an infinitesimal portion of the great deposits, which extend far under the sea. Slopes driven into these deposits have shown that they extend uninterruptedly for at least 7,000 ft. from the shore, and experts who have examined the "Scotia" properties have estimated that they contain hundreds of millions of tons of very high-grade ore.

Containing an estimated tonnage of 2,500,000,000, the Cape Breton coal areas of the "Scotia" Company rank high in their list of assets, and are among the most important holdings in Canada. When the General Mining Association secured the Duke of York's grant of all the minerals and inaugurated systematic coal mining in Nova Scotia, it selected the Sydney Mines district to commence operations on account of the excellence of its coal. During 80 years of that



W. D. ROSS,
Director, Nova Scotia Steel and Coal Co.



HON. ROBT. JAFFRAY,
Director, Nova Scotia Steel and Coal Co.

from imported iron rods. After six years this site became too small and the company reorganized as the Nova Scotia Forge Company and built a new forge plant at a point two miles down the East River, now Trenton, or North New Glasgow. In 1882 it was decided to manufacture steel, and the proprietors of the Forge Company organized another corporation called the Nova Scotia Steel Company, which erected works to make steel from imported pig iron and scrap steel by the Siemens-Martin open-hearth process, and in 1882 produced the first steel ingots made in Canada. In 1888 the two companies amalgamated under

association's history, it operated in nearly every district now worked in the Province, but when absorbed by the present owners it held only the arena first mined, having retained these in preference to all others because of the superior quality. For steam, metallurgical and general purposes it is regarded as the best in Nova Scotia, being the purest and having a very high calorific power.

The Sydney Mines steel plant is one of the most efficient and modern in Canada. Its construction was commenced in 1902, and completed three years later and now it has replaced the original metallurgical

AMERICAN GAS COMPANY DECLARES EXTRA DIVIDEND

The American Gas & Electric Co. has declared the regular quarterly dividend of 2 per cent. on the common, payable January 2 to stock of record December 15; and also an extra dividend of 2 per cent. on the common stock, payable in common stock on January 2 to stock of record December 15. Also, the regular quarterly dividend of 1 1/2 per cent. on the preferred stock, payable February 1 to stock of record January 20. In June the company declared an extra dividend of 2 per cent. in common stock.

AMERICAN OIL DIVIDEND

Los Angeles, December 11.—The American Oil Field Company declared a dividend of \$1.10 per share. The money practically all goes into the treasury of the California Petroleum Corporation, most of the Oil Field's Company stock being held by that company. The amount to be paid is \$201,300.

Calgary, Alta., December 11.—Notification has been sent out from Edmonton that among the companies liable to be struck off the list in three months' time, unless cause is shown to the contrary, are the Calgary Loan and Investment Co., Limited, Calgary Taxicab Co., Limited, and the Calgary Polar Water Company, Limited.

NO RESERVE PRICE ON PULP WOOD.

Approximately 29,000 cords of wood are to be offered to auction by the Montreal Trust Company, as liquidator for the East Canada Paper and Pulp Co., in Quebec on December 18. The pulp wood in question was cut upon the timber limits formerly held under lease from the Crown by the defunct company. There will be no reserve prices.

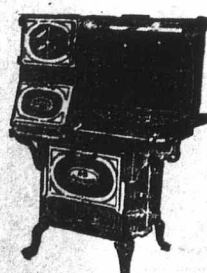
works in Pictou County, supplying all the raw material for the New Glasgow finishing departments. The hydraulic fluid steel compression plant, which is the first installed in Canada, is located in line with the ingot casting floor. It consists of one 4,000-ton press, handling ingots up to 30 tons in weight, and a group of four 1,250-ton presses, which handle ingots each over five tons. Considerable trouble with "pipes" and "blow holes" is ordinarily found in ingots, these defects being caused by gases evolved from the metal and which did not escape prior to solidification. Frequently from 10 to 20 per cent. of the ingot must be rejected because of these flaws. The application of hydraulic pressure to the molten metal has been found the best means of overcoming this difficulty, the gases being literally squeezed out of the pasty mass of cooling steel, leaving the interior completely sound.

To transport the product of its mines, the company operates a fleet of 20 steamers, which it either owns outright or controls by long-term charters. This is one of the most important and efficient branches of "Scotia's" operations. For the past three or four years it has freighted annually over 1,250,000 tons of coal and ore, accomplishing this at what is believed to be the lowest cost ever reached for similar work. Engaged in this traffic are the two largest bulk cargo steamships in the world, the "Taurus" and "Themis," designed and built to the special requirements of the "Scotia" Company. These ships have a deadweight capacity of 13,000 tons and are regarded as the last word in this type of marine architecture.

Located at New Glasgow are the rolling mills, forges and other departments, where the great variety of finished steel products for which the company is noted are manufactured. This plant is housed in a group of modern steel and concrete buildings extending over 25 acres, and the various departments are all equipped with the latest and most modern machinery.

Jas. D. McGregor, now vice-president of "Scotia," and Lieut.-Governor of the province of Nova Scotia, was the first president of the Company. The other presidents have been Graham Fraser, the late John F. Stairs, and Robt. E. Harris, K.C., the latter becoming president in 1905.

Col. Thos. Cantley, first vice-president and general manager, entered the service of the company in 1885 as sales agent, the capital then being less than \$100,000. Four years later he became assistant manager. In 1891 he was appointed secretary. He was appointed commercial manager in 1900 and general manager a year later, becoming second vice-president in 1909. This has been with the company in all the important stages of its growth and its greatest progress has been attained since he assumed the management.



Model A.B. New Idea.

Ornamental

This is the best stove on the market. It has nickel plated and enamel fittings which enable it to be kept spotlessly clean with the least effort.

REPORT ON DOMINION TRUST CO. IS SEVERE

Liquidation Says Little or no Liquid Assets Were Kept to Meet Possible Run

SITUATION GREW ACUTE

Did Most Things Trust Company Should Not Do, and Had no Power to Do Few Things Trust Company Should Do.

Vancouver, B.C., December 11.—C. R. Drayton, provisional liquidator of the Dominion Trust Company, filed a preliminary report yesterday showing the position of the company. It owes general creditors three million dollars, including one million to depositors and assets are estimated to realize approximately one million. The report is very severe and states in part: "The direct causes of the liquidation so far as I have been able to ascertain may be stated as follows:—

1. The fact that in violation of its power the company received deposits and kept in hand little or no liquid assets with which to meet a possible run.

2. The fact that moneys in hand in both trust moneys and the company's own moneys were invested not as required by the provisions of its charter but in highly speculative assets and in shares of highly speculative companies where more and more advances were necessary to protect the company's security.

3. The fact that moneys entrusted for investment were not kept separate nor in a separate bank account, although the company's charter required this. At the date of liquidation the company had trust moneys amounting to between four and five million dollars. Part of this was always uninvested and mixed with its own money and often dealt with as such.

4. The fact of the misappropriation of trust and other securities. This most noticeable during a few months prior to liquidation. Inability to hand over trust funds on demand rendered the situation acute.

5. To sum up the situation the company seems to have done most things a trust company should not do and this company had no power to do a few things a trust company should do.

Report adds that the only prospect of an early dividend is calling up of unpaid calls on shares which should produce \$100,000. A quarter million dollars bond held by the Provincial Government not realizable immediately in the future, as the bonding companies are disputing liability, also there is a legal battle over Arnold's life insurance. Report concludes that it considers it only fair to British Columbia and to the Dominion of Canada to state that from my investigations it is amply proven that the present position of the Dominion Trust was bound to happen sooner or later, and that the present financial stringency caused by the war accentuated the climax.

RECIPROCITY IN LUMBER

Vancouver, B.C., December 11.—Mr. R. H. Alexander, of Vancouver, headed a deputation representing the lumbering interest of the province, which waited upon the Premier relative to the outlook for reciprocity with Australia and New Zealand.

Sir Richard McBride, while at Ottawa a short time ago, made strong representations to Sir George Foster, Minister of Trade and Commerce, and was yesterday able to state that the latter considers the situation most promising for the success of the movement.

The Ottawa Government is now in communication with the government of the Commonwealth and the general feeling is that the outlook was never more favorable for the negotiation of a reciprocal trade arrangement.

NEW CARS FOR BRANTFORD.

Brantford, Ont., December 11.—The Brantford Street Railway has been whipped into good shape lately and the tracks around the city have been improved immensely. The new cars, of the pay-as-you-enter type, will first touch the local metals on Thursday, December 17th. This has been announced from the factory at Preston, and they are keeping to schedule.

DEMAND FOR STEEL RAILS HAS SHOWN IMPROVEMENT IN STATES

(Special Leased Wire to The Journal of Commerce.) New York, December 11.—The demand for steel rails has shown improvement recently, and several railroads are arranging specifications for delivery next year. As the unsettled business conditions and the delayed freight rate decision have caused the roads to enforce a curtailment in the purchasing of equipment, it is quite certain that their rail orders will be considerably below those placed last year. But, however small, they will nevertheless be welcome by the mills at present.

Atchison, Topeka & Santa Fe Railroad has placed 13,000 tons with the United States Steel Corporation and the Lehigh Valley has bought 3,000 tons for quick delivery from the Bethlehem Steel Company. Chile has bought 8,000 tons of standard sections from the United States Steel Products Company and the rails will be rolled at the Edgar Thomson mills of the Carnegie Steel Company. An inquiry from Australia is for 5,000 tons of standard section rails. It is denied that Russia has yet placed an order in this country for 30,000 tons of steel rails, but the inquiry is still pending. The new demand for light rails is better, some lumber companies placing orders, but business from coal-mining companies is quiet. The Carnegie Steel Company received new orders and specifications in the past week for close to 2,000 tons of light rails. Rail sales in November were better than in October, aggregating about 50,000 tons as compared with 30,000 tons in October, 40,000 tons in September, and 70,000 tons in August. Total orders for the year to date aggregate about 1,130,000 tons, about a fourth of the steel rail capacity.

ONLY SMALL IMPROVEMENT IS EXPECTED IN STEEL CIRCLES.

New York, December 11.—Status of steel is reflected in the unfiled tonnage figures of United States Steel Corporation and pig iron statistics for November. This month may witness slight improvement, but nothing in the way of large orders are now looked for before January. Inquiry and demand for steel shows increase over last month, but there has been no general response to low prices which are within small margin of what is regarded as cost level.

MUNICIPAL LOAN ASSOCIATION

Toronto, Ont., December 11.—The Municipal Loan Association has up to the present received 200 applications for loans, and in several cases the officials observed that those asking to be accommodated were on the verge of starvation. The average request is for a loan of from \$50 to \$100. It is estimated that the interest rate of 1 per cent. per month is necessary to make the enterprise self-supporting. A rate of from 2 to 5 per cent. is generally charged on short-term chattel mortgages.

It is pointed out that the capital to carry on the business of the association is being borrowed from the banks on the security of the association's bonds, guaranteed by the city of Toronto. These are 6 per cent. bonds, and the association has to pay the banks 6 per cent. per annum on all moneys so borrowed. This 6 per cent. per annum must be added to the cost of operation. It is considered it will take at least 12 per cent. per annum to pay interest on the borrowed capital and running expenses.

TRAIL SMELTER RECEIPTS.

The receipts at Trail Smelter for week ending December 3rd, 1914, and from October 1st, 1914, to date in tons, were:—

Company's mines:—		
Centre Star	2,356	29,841
Le Roi	2,382	29,809
Sullivan	1,901	8,209
Other mines	1,218	9,378
Total	8,857	77,237

U. S. RECEIPTS.

Washington, December 11.—Receipts of United States totalled \$2,049,813,606 in 1913, the Census Bureau reported today.

Payments of the national government last year were \$1,997,872,649.

WESTERN UNION CO.

The Western Union Company has declared its regular quarterly dividend of 1 per cent., payable January 15, to stock of record December 15.

EMBARGO REMOVAL ON MERINO IS IMPORTANT TO AMERICA

Boston, December 11.—The most important development in the wool market has been announced by the British government of removal of the embargo upon shipments of Merino wool to the United States upon satisfactory proof that re-exportation would not take place. This action applies to all the wools through the British Empire, and is a distinctly important step in the wool market. The London market is bound to have an effect upon the primary market, as well as the London market. The removal of the Colonial Aucton sales at London, which have been neglected, though American wool is eventually expected.

The volume of buying in the Boston market has been small of late, and during the past few days has probably not amounted to over 1,000,000. Prices have been well maintained, though removal of the British embargo, with the possibility of further lowering of the bars has naturally held prices back.

Dealers are not inclined to push quotations for these circumstances.

Particulars have been the most active. Outside of the wool market, the mill market has not improved. Repeat orders have been pointing small, and though some genuine inquiry for European army business has been going on, nothing in the way of actual business has been materialized, at least on blankets of much talk has been heard.

Mills are generally running only four to five weeks. The dyestuffs shortage is also restraining operations.

URGED MERITS OF CANNED SALMON AS FOOD ARMY

Seattle, Washington, December 11.—Immediate in the opening of the European war the secretaries of the Alaska Salmon Canneries have urged the government to take detailed information as to the important governments of the world regarding the merits of canned salmon as an article of food for army and navy use.

The response through consular agents of various countries was very encouraging, and the secretaries recently published a pamphlet containing in detail the merits of canned salmon as a food article for army and navy use.

This pamphlet has been submitted through channels to the government authorities of all the world, and it is hoped, should be the means of securing the most favorable consideration of the matter by the government.

Additional copies of this bulletin may be had from the secretaries of the Alaska Salmon Canneries, exporters, importers or others who may be able to put same to good use, by application to the Secretary Salmon Canneries' Association, 500 M. Life Building, Seattle, Wash.

Public notice is hereby given that, under the Companies' Act, letters have been issued to the Lieutenant-Governor of the Province of Quebec, bearing date the twenty-seventh day of November 1914, incorporating Messrs. Orliva Tessler, restorateur, Dame Scraphine Leroux, wife of Orliva Tessler, restorateur, Henri Black, clerk, and Frank Laflamme, of the city of Montreal, for the following purposes:—

To carry on the trade and business of keeping hotels, boarding and lodging houses, restaurants, and dealers in alcoholic or temperance drinks, tobacco, cigars, etc., and any other business of the same kind; the whole pursuant to the provisions of the License Act and municipal by-laws; and any companies or corporations carrying on the same kind of business and to pay therefor on the same basis as the said company, or to be added to the name of "Hotel Jockey Club Limited," which is a company of twenty thousand shares of one hundred dollars (\$100) each.

The principal place of business of the corporation will be in the city of Montreal.

Dated from the office of the provincial Secretary on this twenty-seventh day of November, 1914.

6914. Deputy Provincial Secretary.

PUBLIC NOTICE is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," the Patent has been issued under the Seal of the Province of Quebec, bearing date the 27th day of December, 1914, incorporating Shirlie Greaves, a single woman, of the City of Montreal, and Alexander Hodgson, Clerk of the City of Montreal, in the Province of Quebec, for the following purposes:—

(a) To manufacture, buy, sell and deal in goods and merchandise of all sorts and kind descriptions, to establish, maintain and conduct a jobbing and brokerage and general agency business connected therewith;

(b) To acquire all or any part of the good rights, property and assets, including any option or concession or the like of any individual, firm association or corporation carrying on a similar business, and to pay for the same wholly or in part in cash, or to issue or to pay for the same wholly or in part in cash, bonds or other securities of any corporation;

(c) To apply for, purchase or otherwise acquire any patents, licenses, concessions and the like, and to use any exclusive or non-exclusive or limited right to use or process or to turn to account, sell or otherwise deal in such patents, licenses or concessions;

(d) To acquire and hold, notwithstanding the provisions of section 44 of the said Act and to sell or otherwise dispose of the stock, shares, securities or other interests of any other Company having for one of its objects the exercise of any of the powers of the Company or to transfer its undertakings or as aforesaid to or to amalgamate with any such company;

(e) To enter into any arrangement for the share of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person or company carrying on or intending to carry on any business which this Company is authorized to carry on, or which is capable of being conducted so as to directly or indirectly benefit the Company;

(f) To acquire by purchase or otherwise hold, sell and deal in the property, assets, good-will, stock, shares or securities of any company or corporation, and generally to do all acts and exercise all powers and carry on any business incidental to the proper fulfillment of the objects for which the Company is incorporated;

The operations of the Company to be carried on under the name of "Shirlie Greaves & Co.," with a capital stock of Fifty Thousand Dollars (\$50,000.00) divided into Five Hundred (500) shares of One Hundred Dollars (\$100) each, and the chief place of business of the said Company to be in the City of Montreal in the Province of Quebec.

Dated at the office of the Secretary of State of Canada this 4th day of December, 1914.

(Sgd.) LOUIS CODEBRE, Secretary of State.

Greenfield & Co., Attorneys for Applicants.

THE MONTREAL LIGHT, HEAT & POWER COMPANY

POWER BUILDING,
Craig and St. Urbain St.
Phone Main 4040.

UPDOWN STORE,
388 St. Catherine W.
Phone Uptown 4310.

EAST END STORE,
834 St. Catherine, Mals.
Phone Lasalle 1850.

LACHINE BRANCH,
85 Notre Dame St.
Phone Lachine 585.

MOUNT ROYAL BRANCH,
1007 Mount Royal Ave. E.
Phone St. Louis 9090.