

DOMINION IRON & STEEL

The statement for the year ending May 31, 1910, presented at the annual meeting of shareholders to-day shows a satisfactory profit. The statement appears on another page in full, and we have shown the corresponding statement of a year ago, which makes an interesting comparison. In the report of the directors reference is made to the purchase at par of 50,000 shares of Dominion Coal Company's stock, and to the practical merging of the two companies. The outstanding claim for damages against the Coal Company was settled by payment of a further sum of \$800,000 making, with the \$2,750,000 received in March, 1910, a total of \$3,550,000 received on this account. The price of coal has been revised and a new agreement, to remain in force till 1st November, 1914, and fixing the price of coal at \$1.55 per ton arrived at. Previously the price was \$1.28 per ton. From the earnings for the year and the amount received from the Coal Company the arrears of dividends on the preferred stock amounting to \$1,575,000 were paid as well as the dividends accrued during the year. The amount accrued since April 1st last appears in the reserves in the balance sheet. The balance brought forward at the credit of profit and loss account is \$2,058,225.55 as compared with \$2,090,801.24 a year ago. The assets have increased \$8,154,773.83 and direct liabilities are \$7,692,873.52 greater.

The output for the year was as follows:

	Gross Tons.
Pig Iron.....	255,161
Steel Ingots	302,118
" Rails.....	146,967
" Wire Rods.....	81,581

Our London Letter.

British Investors not Interested in American Railroads—London's Explanation of the Slump—“Booming” British Columbian Timber—Representable Tactics—The Berlin Bourse and Canadian Pacific—Canadian New Issues in London—Insurance Company and the Gaming Act—Special Correspondence of THE CHRONICLE.

The past week has held very little of interest in the financial markets. There has again been a reaction and, for a time, to use market parlance, the public has “gone off its feed.” Two matters are, however, of some interest to your readers.

The Slump in American Railroads.

The entire list of American railroad securities shows a big fall, but I do not think the British investor will be hit very hard. The “alarums and excursions” of Wall Street are not attractive to the British speculator and since the heavy losses he made about fifteen years ago when every other American railroad was passing through a receiver's hands, he has steered carefully clear of these securities. The market has been forced to find a reason for the sudden fall, which has taken it by surprise because, in view of the big pending bond issues in Berlin and Paris, it was thought that Wall Street would lend support to the market. In its anxiety to find an explanation, the market has hit

upon the idea that Canadian banks and finance houses, which have American railroad holdings had sold out. No one appears to have suggested that Paris and Berlin financiers have withdrawn support from the markets in order to make better terms with the American railroad men. It is well known in Europe that some of the companies want large amounts and that anything up to \$100,000,000 must be issued immediately. The Paris and Berlin bankers are quite familiar with the peculiar conditions existing at the present time in monetary and financial circles in the States, and especially with the effect which the decision of the courts respecting the railroad charges for freight would have upon the railways. They hold the upper hand at the present moment and unless the American houses themselves are prepared to find the necessary money the railroads may expect to pay stiff terms.

A Manufactured Timber Boom.

The “boom” which is threatened in Canadian manufactured timber is being “manufactured” in more senses than one on this side and THE CHRONICLE would do a good service to Anglo-Canadian finance if it set out the present position. There is much misunderstanding on this side respecting the present situation in the timber trade. It is known that a recent Canadian timber issue was not a success, and it is further well known that several Canadian timber companies are in course of preparation. In the Daily Mail (of June 2) which one would expect to have sound information on the timber affairs of the West, there were three paragraphs which are a re-hash of paragraphs which appeared in the Timber Trades Journal last April, and the Financial Times last month. The Daily Mail said:—

There are unmistakable signs in certain quarters that within the next two or three weeks there will be another boom—a boom in British Columbia timber company promotion. Just as the far-seeing financiers of Mincing Lane foresaw the state of affairs that would arise in connection with rubber, so several far-seeing financiers in the City have been acquiring options over large tracts of timber lands in British Columbia, and the public is likely to hear a good deal of the matter in the near future.

It is argued by these financiers that we are rapidly approaching a period of timber shortage all over the world; that the forests of the United States and of Scandinavia are becoming used up, and that British Columbia, with its mighty trees, remains the last great source of supply. But those interested in the Columbian forests are content to look for the demand not all over the world, but in Western Canada itself, where the enormous growth of the population, the laying of railways, and the rapid establishment of cities and towns causes the consumption of so much timber that, although the British Columbia mills are working night and day at full pressure, they are unable to supply the want.

It appears that during the past couple of years or so the price of stumpage, as growing timber is called, has nearly doubled itself, rising to three dollars per thousand feet, and that the advance in price shows every sign of continuing. These, in brief, are the rather convincing arguments of the London financiers, many of them well known, who have interested themselves in what is believed to be the forthcoming timber boom. And their interest will shortly be made known to the public by the flotation of many new companies.

Now, the Daily Mail should have stopped there, and generous-minded persons would have smiled and thought a correspondent had misled them. But next day there was the following:—

We learn that one of the first issues of capital in connection with the coming timber company boom, to which we referred yesterday, will be that of the Dominion Sawmills and Lumber Company, which is a Columbian concern with an authorised capital of a million sterling. It will offer for subscription \$800,000 of 6 per cent. First Mortgage Debentures at 95 per cent. The timber