

I certainly made no charge against the Great-West Life. I have the greatest admiration for the late Mr. Brock and his associates and for the success they have achieved. In less than a quarter of a century they have built up a volume of over \$130,000,000 of life insurance. As a result they have been enabled to declare the increasing dividends to their shareholders shown above, making, especially for the original investor, a splendid investment. I took pains to show that \$71,000 out of the dividend declared in 1915 was derived from the revenue of the shareholders own capital and fund, to avoid public misconception as to the amount of dividends being high.

The 1916 report for the year ending 1915 gives the paid-up capital as \$933,803.30 and the cash dividends declared during the year \$130,722.48. This works out approximately at 14 per cent., but if 15 per cent. is correct, it only makes my point the stronger and the return of to-day to the original investor who paid \$25 per \$100 share and purchased his stock at par, is at the rate of 60 instead of the 56 per cent. per annum I stated. I agree that for six years he received no dividends at all, and that ten years after the company commenced business some of the stock was purchased at a premium, but I did not refer to the later, but to the original investor, and it does not alter the fact that 15 per cent. on 100=60 per cent. on 25.

Fully Entitled to Security.

I would like to state here that I did not in any way single out this particular company, but analysed all alike. Personally, I consider that the original investor, who, for the first few years, goes without a dividend altogether and for some further years, when dividends are declared, applies part or even the greater portion of them to his uncalled liability, is fully entitled to the position of security and the ultimate handsome return that his investment has earned for him. Your Great-West Life correspondent has access to the blue books which he says are incorrect. I would recommend him to have the errors rectified instead of reflecting on me. It is true that I sell and have sold life insurance stock for a new company, just as Mr. Brock did for the Great-West Life 25 years ago, and I do not consider this derogatory, for I am convinced of its great potentialities as a high-class investment from every standpoint, and in particular the possibilities of its great future appreciation in value. In this connection I would say that the time to buy life insurance stock is at its inception. Great-West Life stock to-day is a good investment around \$300 or \$400 per share, it was better still for those who bought it at \$85, paying \$60 premium for it in 1903, but it has proved the best investment of all to the fortunate investors who purchased it at its inception for \$25 per share.

RAILROAD PROBLEM

"Canada is in a separate and serious position of its own regarding its railroads," says Mr. Samuel Rea, president of the Pennsylvania Railroad Company, in a letter on the Canadian railway problem, to which *The Monetary Times* has already devoted much space.

"Only one large system is pre-eminently profitable, and the country is engaged in a serious war. Judged by either its population, its traffic, or future growth, it has pursued too rapid and too liberal a programme of new railroad construction, supported by governmental aid. The crux of the situation is, who is to provide for the deficiency in earning the interest charges and operating expenses and furnish the capital essential to finish and properly equip these lines in the next 10 years or more?"

"Obviously," Mr. Rea concludes, "the only available source in sight that can shoulder that great responsibility is the Canadian government. It is also obvious that the Canadian people will not shoulder these obligations, and at a future date permit private companies or stockholders to be the beneficiaries. The majority commissioners suggested operation by a board of trained railroad and business men with practically a life tenure of office. This is an experiment which may fail, but some such co-operative plan must be adopted to meet with the approval of the Canadian people. The burden is too great to be left solely to private capital and initiative, because there is no present nor immediately prospective earning capacity to warrant private capital in assuming that lead, and all capital sources are being drained by the war."

PERSONAL NOTES

MAJOR EDSON RAYMOND PEASE, son of Mr. E. L. Pease, managing director of the Royal Bank of Canada, has been awarded the D.S.O. Two years ago he joined the Highland battalion raised by Lieut.-Col. Cantley for overseas duty.

MESSRS. HALSEY, STUART & COMPANY, successors to N. W. Halsey & Company, Chicago, have opened their new eastern offices at 49 Wall Street, New York, in charge of Theodore Luce and Chas. C. Pape; the Boston office is in charge of Chas. A. Fassett, and the one at Philadelphia, of Lloyd A. Munger.

MR. B. F. REPTON, general auditor of the Dominion Steel Corporation, has been appointed to the post of comptroller of the Canadian Car & Foundry Company, and supervisor of the Canadian Steel Foundries, Limited. Mr. Repton was formerly with the firm of Price, Waterhouse, as chartered accountant.

MR. F. S. OLIVER, who is taking the place of Sir Richard Burbridge, deceased, as a director of the Hudson Bay Company, is a literary as well as a commercial man, being the author of "Life of Alexander Hamilton." He is also connected with two well-known London firms, namely, Debenhams, Limited, of which he is one of the managing directors, and forms one of the board on Marshall & Snellgroves, and the Textile Securities, Limited. His wife is a daughter of Lord Justice McLaren.

MR. C. R. DRAYTON, manager of the Vancouver Financial Corporation, Limited, and prominent in connection with other financial interests in Vancouver, has returned from a two months' visit to the Orient. He visited Hong Kong, Yokohama, Kobe, Tokio, Shanghai and Manila. Mr. Drayton in a recent interview, stated that Japan was making wonderful progress in the shipbuilding and commercial fields. Japanese craft are to be seen on every part of the Pacific, and more tonnage is being continually produced. The ambition of Japan to rule the Pacific seems to be in process of realization. The war has conferred great industrial benefit upon Japan, he states. Very few ships have been lost, and many have been added. The result is that in the competition after the war she will be able to sweep everything from the ocean. At Shanghai, where Great Britain only possesses concessions, there are still German interests, Mr. Drayton said. But they have been practically boycotted.

TO NATIONALIZE THE CANADIAN NORTHERN

The following, in brief, are the government's railway proposals announced in the House this week:—

Purchase of the outstanding \$60,000,000 stock of the Canadian Northern Railway, giving the government complete ownership of the Canadian Northern Railway system and all subsidiary enterprises.

Appointment of three arbitrators to determine the value of the stock acquired, subject to an appeal to the Supreme Court by either the government or the owners or pledgees of stock in the event of failure by the arbitrators to reach an unanimous determination.

Canadian Northern to retain its corporate identity with operation and administration under a board of directors named by the government.

At least five-sixths of the outstanding shares to be transferred by agreement. Government to take the right to complete the transfer of the remaining shares.

Demand loan of \$7,500,000 at 6 per cent., secured by mortgage, to be made to the Grand Trunk Pacific Railway. Government to take power to constitute a board of directors.

Orders for winches amounting to \$400,000 have been placed with British Columbia firms. An order for 1,400 tons of bolts has been given to the Vancouver Engineering Works, and Secretary J. Hart, of the British Columbia Manufacturers' Association, has also received word that an order of 500 tons of castings has been distributed among three Vancouver firms.