

BRIDGE CONTROVERSY WAXES WARM

Mr. Beauclerk Talks of Intent to Deceive—Dominion Bridge Company's Reply

The information contained in a recent announcement that the Dominion Bridge Company has never become responsible for the payment of either principal or interest of the National Bridge Company's bonds, drew forth from Mr. H. W. Beauclerk, vice-president of the National Bridge Company and until recently a director of the Dominion Bridge Company, a communication, which is in part as follows:—"I find myself called upon to rectify some statements made on behalf of the Dominion Bridge Company's board. They state that the operations of the National Bridge plant in the year 1913-14 would have shown a profit had it not been for bad debts made by the old management. I will call their attention to the fact, of which they are aware, that they have a guarantee covering any such loss, therefore their statement in this regard must have been meant to deceive. Further, in figuring out the cost of the land purchased by the National Bridge Company, they say that it cost this company \$100,000 in cash in addition to \$110,000 in bonds, and an amount of common stock, and that they subsequently bought 500,000 feet of adjoining property at 18 cents per square foot, tending to show by these figures that somebody made a great deal of money out of the sale of this land to the National Bridge Company.

Took Up Land Option.

"Any statement that the land cost the National Bridge Company one cent in cash is absolutely false, and I would advise them to consult their legal advisor or anyone with an average intelligence before issuing such foolish and erroneous statements. Finally the 500,000 square feet of land at 18 cents per square foot which the Dominion Bridge Company bought was held under option by the National Bridge Company for a term of years at that figure, and was part of the original bargain made by them in purchasing their property. The option property was at 18 cents per square foot—an exceedingly low figure—so low that when the Dominion Bridge Company secured control of the National Bridge Company, they promptly took up this option themselves and bought the property in their own name, on the ground that the National Bridge Company had no funds."

Never Earned Its Interest.

The directors of the Dominion Bridge Company, replying to Mr. H. W. Beauclerk's statement, remark that a cash payment of \$100,000 was made in connection with the purchase of the land on which the National Bridge Company's plant is situated, and add:—

"The statement recently issued by the Dominion Bridge Company, Limited, was not intended to be construed as a complaint that the Dominion Bridge Company had made a bad bargain when it purchased the shares of the National Bridge Company.

"The Dominion Bridge Company in its statement intended to place before you the bare facts as they exist, in order that you, as bondholders of the National Bridge Company, might be in a position to appreciate the value of your security and know that the National Bridge Company, from the date of its organization, was not solvent, and has never earned its bond interest, and further in order that you might know that the Dominion Bridge Company is not liable to you for the payment of either the capital or the interest of the bonds of the National Bridge Company."

With reference to the statement that no cash was paid in connection with the purchase of the land on which the National Bridge Company's plant is situated, the Dominion Bridge Company quotes the sections of the agreement referring thereto, one of which clauses reads:—"Furthermore, the sum of \$100,000 appears to have been deposited with the company's bankers and paid out on the 16th January, 1911."

"If the \$100,000 was not paid for the land, what became of it?" the Dominion Bridge Company asks.

An extension to the time in which the company is to start operations till March 12th, 1916, has been granted to the Sterling Life Assurance Company, Toronto, by the parliamentary banking and commerce committee.

WINNIPEG AND THE WEST

"The outlook for a great industrial development is brighter than ever," says Mr. Charles F. Roland, Winnipeg's industrial commissioner, optimist and handy man. In his annual report, he continues:—

"The marked agricultural development throughout the three prairie provinces in acreage under fall ploughing this year means much for the west in 1915. Fully 33 per cent. more ploughing has been done this fall than in previous years. Better cultivation and mixed farming is on the rapid increase in all districts that are suitable, and with a high wheat market ahead for the 20,000,000 acres of wide prairie stretches that is ready for 1915 it has placed confidence and courage in business circles everywhere.

"There is every reason to be optimistic in the fact that in 1914 Winnipeg's building permits reached the huge total of \$13,942,050, and that the net investment in the 3,614 permits completed amounted to \$12,160,950; and further, that over \$9,000,000 of this went into new homes, fine residences and apartments—\$4,591,000 in dwellings and \$4,439,000 in up-to-date apartment buildings. The showing of \$1,370,960.80 in bank clearings for a city of the population of Winnipeg is remarkable, comparing with American cities double and treble the size. By the addition of 22 new manufacturing plants, it points to prove that Winnipeg will continue to expand along industrial lines, and will always retain that position as chief point of production and distribution for this great, growing market of Western Canada."

TARIFF CHANGES

Changes in the tariff were announced last week by Hon. W. T. White, minister of finance. Regarding the stamp taxes, the changes are:—

Purely mutual fire insurance companies are exempted from the tax of one per cent. on net premiums.

Press despatches are exempted from the tax of one per cent. on telegrams.

The tax on steamship tickets in the Atlantic seaboard is extended to include tickets to all the West India Islands, not only the British West Indies, and to British Honduras.

As first stated, the \$3 tax on ocean tickets was on a value of \$30. That value is raised to \$40. The present tax of \$5 is on tickets costing \$60. That value is changed to \$65.

Promissory notes discounted or collected through a bank must pay the two-cent tax, as on cheques. This does not apply to promissory notes between two individuals if the notes do not pass through a bank. Mr. White explained that this tax was necessary in order to prevent evasion of the tax on bills of exchange.

The tax on patent medicines is decreased from one cent on each ten cents of retail value to one cent on each twenty-five cents of retail value.

The new customs tariff will apply against imported wines and spirits on their value, minus the excise assessed against them in the country where manufactured.

On non-sparkling wines the tax was first put at five cents per quart or less. It is now provided that the tax on a pint shall be three cents. Similarly on champagne provision is made for a tax of thirteen cents on a half pint instead of twenty-five cents on pints.

A new item in the list is wild, edible berries, free.

Additions to the list of exemptions from new tariff increases are as follow:—

Silk in the gum or spun silk imported to be used in the manufacture of woven labels; manuscripts; bananas; acid phosphate of lime, sulphate of ammonia, nitrate of soda, muriate and sulphate of potash, imported to be used for fertilizing purposes; cottonseed cake and cottonseed cake meal; coffee; milk for infants' foods; platinum and manufactured fertilizers.

Writing of the sales in the United States of Canadian securities, the National City Bank of Chicago says in a recent circular: "There is still a strong demand for bonds from investors, who are showing greater discrimination than they usually do in their investment operations. The average investor is seeking an income return of from 4½ to 6½ per cent. He is willing now to buy long-term bonds rather than only short-term securities."