

HUDSON'S BAY REPORT

Profits from Land Sales—Sales Shops Are Being Modernized

The report of the Hudson's Bay Company for the year ended May 31st, 1912, states that under the authority given to the Governor and committee by resolutions passed on July 12th, 1912, the Governor and committee accepted the supplemental charter in the form submitted, and subdivided the ordinary shares of the company of the denomination of £10 each into ten shares of the denomination of £1 each, and issued 200,000 five per cent. cumulative preference shares of £5 each, which were offered at par to the holders of the then existing ordinary shares in the proportion of two new shares for one ordinary share of the nominal value of £10. The issue was favorably received, only a few shareholders failing to take advantage of the opportunity afforded them to increase their interest in the company. The shares not taken up by the shareholders were disposed of at a premium of £4,635 13s., and after deducting brokerage and stamps and the expense of the issue, amounting to £1,549, the balance of £3,086 has been carried to the credit of profit and loss account.

Modernizing Sales Shops

Good progress has been made during the period under review towards bringing the sale shops up to modern requirements, says the report, and the improvement in the results achieved by this department is gratifying to the Governor and committee. Owing to the pressure of business in the various trades in Canada, the contractors for the construction of the new Calgary store were unable to obtain punctual delivery of certain machinery and fixtures, and consequently the completion of the building has been delayed, but it is expected to be ready for business in the early autumn. A warehouse with railway track facilities has been built at Calgary by the company's construction department, and will prove of value in dealing with the large quantities of goods it will be necessary to handle at this point. The Yorkton store was completed and opened for business on May 2nd. A wholesale depot has been erected at Edmonton, and considerable additions and alterations made to the retail store there to equip it for the requirements of the growing trade. At Vancouver building operations have been commenced on the recently acquired site adjoining the store, and when this is completed the old store is to be rebuilt to make a homogeneous whole. At Victoria a retail store (on Douglas, Fishguard and Herald streets) is about to be erected, and plans are being prepared for the new departmental store on Portage avenue, Winnipeg.

Price of Farm Lands

During 1912-13, the Hudson's Bay Company obtained for their farm lands an average price of \$21 per acre. At this price they sold 53,581 acres, as compared with 42,554 acres in 1911-12 at \$19 per acre. The year 1910-11 was the last year of big sales of farm lands, when 267,038 acres were sold at \$14 per acre. In spite of the smaller land sales, the profit noted in the latest report is the largest of recent times, and the source of the high profits was the sale of town lots at Edmonton in May, 1912. That sale offered town lots in Edmonton, and for the first time it advertised them in London, and offered land direct to English investors. The sale seems to have been a financial success, as the sale of town lots in Edmonton appear in the accounts as having provided £372,786 towards the revenue of the year. The trading profits have again expanded.

How Profits Compare

The profits of the past year are compared with those of previous years in the following table:—

Year Ending March 31.	Net Land Receipts.	Fur and Trading Profits.	Total Net Profits.
1903	£177,857	£142,001	\$319,858
1904	201,189	98,933	300,122
1905	207,364	102,969	310,333
1906	262,035	190,207	452,242
1907	283,879	197,688	481,567
1908	180,428	141,594	327,022
1909	175,476	80,391	255,867
1910	240,045	166,156	406,201
1911	548,512	159,966	708,478
1912	273,268	196,070	469,338
1913	589,926	228,324	818,250

THREE COMPANIES CHANGE THEIR NAMES.

The J. H. Hanson Tilley Company, Limited, has changed its name to the J. H. Hanson Company, Limited.

The Commercial Basis Tyre Company, Limited, has changed its name to the Progressive Tire Company, Limited.

McArthur-Richey-Trimble, Limited, has changed its name to Richey-Trimble, Limited.

STEADY PROGRESS FOR CANADA

Sir Thomas Shaughnessy Gives to Wall Street Interesting Views of Canadian Conditions

Canada has to thank Sir Thomas Shaughnessy, president of the Canadian Pacific Railway, for a comprehensive statement issued in New York regarding Canadian conditions. There has been a decided tendency in Wall Street to exaggerate considerably the period of financial rest and adjustment now occurring, without any disaster, in the Dominion. Sir Thomas finds nothing in the Canadian situation to cause anxiety. So long as immigration continues at the present rate, the highest ever known, Canada's progress cannot be retarded. In fact, he forecasts that in two years from now there will be even more accelerated expansion. In an interview with a representative of the Wall Street Journal, Sir Thomas said:—

"There has been no over-expansion in Canada. Building trades returns show no recession in operations, and bank clearings in the west continue high. So long as we continue to receive immigrants at the record rate now prevailing, Canada's business must continue to expand. Two years from now I expect to see expansion in an even more accelerated volume.

That Trade Balance Again

"Our so-called adverse trade balance is the result of our rapid growth and goes to show that Canadian manufacturers are unable to supply the demand. We bought 250,000 tons of rails in Canada this year, but had to buy additional tonnage in the United States because Canadian makers could not supply our full demands. It is the same in other industries. That adverse trade balance is a measure of our business activity."

That there had been serious and excessive speculation in real estate, President Shaughnessy was inclined to regard as a myth. While admitting that some purchasers of lands may have to wait a while for their holdings to show a profit, as a phase of over-expansion he brushed it aside. "The value in the land is there," he asserted.

Canadian Pacific Railway Prospects

"Crop promise this year is for good yield, and if that promise is maintained to harvest time, Canadian Pacific should show gross earnings in the coming year of \$150,000,000 and net of \$50,000,000. For the fiscal year closing with this month, gross will exceed \$138,000,000 and net \$47,000,000.

"The company is comfortably off in the way of cash, being placed so especially by the recent \$105,000,000 common stock issue which will be full paid in four months. Our construction contracts, of course, are exceptionally heavy. Our new construction in the last two years has aggregated over \$50,000,000, and we have some 1,800 miles of work under way at the present time. Then, too, our equipment orders amounted to some \$75,000,000.

"Our assets outside the railway are exceptionally large and growing in value. Canadian Pacific's land holdings, while gradually being disposed of, are still large. In the city of Vancouver alone we still own property worth \$10,000,000, and at that our holdings have been much decreased.

"But Canadian Pacific has embarked in many enterprises which will be valuable as sources of revenue in the way of freight. For example, we stepped into the breach in the case of the mines (gold) in Rossland, B.C., and have been instrumental in shipping \$40,000,000 out of that territory. Our entrance into the coal mining business is another instance. In entering such enterprises we are building for the future, intent on the traffic to come from these developed territories."

Question of Freight Rates

President Shaughnessy declined to discuss the western Canada rate situation because arguments are now being had before the Canadian Railway Commission on application by western shippers for lower rates.

"All we ask," he said, "is a fair hearing of our side of the case. Many commodities used in our business have to be imported from the United States, and we have to pay duty thereon, increasing our expenses above those of the roads beyond the border. Coal, for illustration, we import from the United States, and our fuel cost is necessarily above that of American roads on account of the added burden of the duty. This year we bought 45,000 tons of rails from American makers, and had to pay the import tariff. These added costs, we think, are worthy of consideration.

"There has been some misunderstanding regarding the position of Canadian Pacific in respect to its liability to rate regulation by the railway commission. This misunderstanding is particularly current among German holders of the stock. Under the original agreement by which the Canadian Pacific Railway proper was constructed from Calgary to Port Moody, there was to be no supervision of rates so long as not exceeding 10 per cent. was shown as earned on the original investment. Of course that agreement did not cover any part of the road, but that one line. Our earnings having exceeded the point fixed we attempted no subterfuge, but admitted our liability to rate regulation. Canadian Pacific policy is against subterfuge. In other words, we believe that if we are fair to the people, they will be fair to us."