

length. It is anticipated that this extension will be completed and fully equipped with new machinery and appliances by about the first of May next, and will afford much-needed relief to the present congestion at these works, and will enable the Company to increase its output very materially. The Company has leased the lands and plant of the Canadian Shipbuilding Company, near Bridgeburg, Ontario. While the transaction is in the nature of a lease, it has been acquired in the same way as the Company acquired their hydro-electric power plant at Nassau some years ago, that is to say, the capital sum of \$250,000 will be extinguished by twenty annual payments of principal and interest, so that at the end of the twenty years the property comes into the absolute possession of the Company without further charge. The following are the leading figures of the Company's statement in comparison with 1909:—

	1909.	1910.
Capital stock	\$6,700,000	\$7,392,736
Current liabilities	1,275,309	2,728,337
Depreciation Reserve	219,962	399,265
Surplus	1,829,000	1,980,675
Patents and Contracts	428,012	416,505
Real estate, buildings, etc.	3,528,264	3,935,098
Machinery and tools	1,687,299	2,001,194
Investments	211,630	218,793
Current assets	4,081,218	5,999,730
Depreciation	91,093	188,088
Net Profit	483,236	646,300

Quebec & Lake St. John Railway.

The final stages in the settlement of the difficulties between the bondholders of the Quebec and Lake St. John Railway Company and the Canadian Northern Railway, following upon the default in the payment of interest on the bonds in December, 1909, have now been reached. A meeting of each class of bondholders was recently held in London, for the purpose of formally adopting an agreement provisionally entered into with the Canadian Northern, and for the purpose of passing resolutions binding the whole of the bondholders to exchange their bonds for new 4 p.c. debenture stock guaranteed both as to principal and interest by the Canadian Northern Railway. Mr. Colin Macrae, who presided, paraphrased the provisions of the new agreement as follows:—It is provided that the Quebec and Lake St. John Company is to create a new debenture stock secured by trust deed in favour of two new trustees—the National Trust Company of Toronto and the British Empire Trust Company, Limited, of London, who will be the trustees for this new debenture stock. The new debenture stock is to be secured as a first charge upon the whole property and undertaking of the Quebec Company, and it is to be of an amount sufficient to provide for taking over at the conversion price the whole of the bonds of the Quebec Company and certain bonds called the St. Joseph and Lake Hotel bonds; further, to pay for additional rolling-stock, \$430,000; further, to provide an amount equal to \$30,000 per mile of railway that may hereafter be constructed by the Quebec Company; further, for an amount equal to the amount by which any mortgages guaranteed by the Dominion or Provinces that may hereafter be secured on the Quebec Company's lines in priority to the new debenture stock exceed \$30,000 a mile

on the lines on which they are secured as a first mortgage; next, to pay the cost price of any right of way or land purchased by the Quebec Company for terminals, etc.; next, for an amount equal to the cost price of any securities of any other Company deposited with the trustees and specifically mortgaged by way of first mortgage as additional security for the new stock; and lastly, for the cost of providing further betterments in connection with the undertaking. Mr. Macrae further stated that so far as he had at present ascertained the amount that will have to be paid for the conversion of the old bonds and the \$2,000,000 that is to be provided to pay for the floating debt of the company, to provide new rolling-stock and the remuneration, costs, charges, and expenses of the various parties that have been incurred, and the remuneration to the committee will amount to \$6,600,000 odd. That amount, at least, will have to be covered by this new debenture stock; and then, in addition, to provide for the other things mentioned—extension, betterments, etc.—in the future, the authorised amount of the debentures will be considerably in excess of the figure mentioned. But that figure of \$6,600,000 will be at least the amount required to provide for present payments. The trust deed goes on to provide that the company may create charges on any extensions or new lines hereafter constructed, ranking in front of the new stock, provided that such charges are guaranteed as to principal and interest by the Dominion or the Provincial Legislatures. The new debenture stock is to be guaranteed unconditionally both as to principal and interest by the Canadian Northern Railway Company, to carry interest at the rate of 4 per cent. per annum, and to be perpetual. The first payment of the full half-year's interest on that stock is to be made on July 1st of this year. The terms on which the bonds are to be exchanged are as follows:—Prior lien bonds, par for par; first mortgage bonds, 70 per cent. of their face value; income bonds 13 per cent. Mr. Macrae paid a warm compliment to Alderman Charles Hanson for his services in bringing about a settlement.

Affairs in London

(Exclusive Correspondence of The Chronicle.)

London Market Conditions—New Scottish-Canadian Mortgage Corporation—The Cunard and the Thomson Line—Bradford Dyers and the United States—Insurance Amalgamation.

The past week has seen several bursts of activity in various sections of the market, home, colonial and foreign issues having an equal share of the attention of the investing and speculating public. The London railway companies' issues are being actively bought and a sudden demand has set in for the hitherto neglected Scottish stocks. There was no change in the Bank rate and the week ends up with quite a large number of big issues, notable among them being the Indian Government loan postponed from earlier in the year.

Arrangements have, I understand, just been