WAR PROFITS OF INDUSTRIALS.

A warning in regard to the war profits likely to be realised by the industrial corporations whose stocks have recently been the subjects of such frantic trading on the stock exchanges of this continent, is published by the New York Journal of Commerce and is well worth weighing by those Canadians who have taken a hand in the Wall Street gamble or find themselves at the present time strongly tempted to do so.

It is pointed out that speculators may easily be at fault not only in over-estimating actual profits, the real figures of which may cause some cruel modifications in market values, but also in regard to the way in which the net earnings will be disposed of. It would be well to soberly take into account, says the Journal of Commerce, demands that will confront directors of the companies actively engaged in making munitions when they sit down to dispose of their increased earnings. In the first place there is the matter of amortising the new machinery, etc., bought for the special purpose. In some cases plants have had to be largely re-equipped with expensive machines which cannot be used for ordinary purposes. Obviously in such cases the first duty is to utilize the profits to write the cost of alterations and special machines off the books. The duration of the bonanza period is very uncertain. In Great Britain, France, Russia and Italy continual progress is being made in establishing new plants for supplying the national wants; and their home output will rise to such figures as to enable them to reduce materially their purchases of the very expensive munitions supplied by America. And after the war trade on this side of the Atlantic fades away there is the matter of again altering many of the plants so that they will be suitable for resuming ordinary work.

STRENGTHENING FINANCIAL POSITIONS.

Conservatively managed companies, proceeds the article, will apply current earnings freely to write off the special expenditures referred to. Those special expenditures will be represented, in some cases, by short date bonds or notes. Where these exist they should be cleared away before the claims of stockholders for increased dividends are considered. There is no doubt that the best way to treat the abnormal profits is to take them as a windfall, or as being non-recurrent. Disposed of in the right way they will enable a number of companies to put their foundations in sound condition. For example, in the era of poor profits immediately preceding the war, it was a difficult matter for many industrial concerns to meet bond interest, pay regular dividends and make the proper depreciation allowances. The excellent profits now being made afford the opportunity of correcting or making good the deficiencies of the recent past and there is no doubt that the various executives will as a rule provide generously for depreciation as distinct from the operation of writing off the cost of alterations, special machinery, plants, etc.

It would be well, concludes the New York Journal of Commerce, if the excited speculators who have been bidding so urgently and so recklessly for the war specialties would ponder these points, as they are likely sooner or later to figure to some extent in Wall Street's valuation of the securities.

PERSONALS.

Mr. P. M. Wickham, manager for Canada, Yorkshire Insurance Co., has left on a business trip to the Pacific Coast.

* * *

The death is announced this week of Mr. Sylvester C. Dunham, president of the Travelers of Hartford, and one of the leading insurance executives of the United States. Mr. Dunham, who was 70 years of age, had been associated with the Travelers' since 1885, at first in connection with its legal department. He had been president since 1901.

* * *

The directors of the Guardian Assurance Company have appointed Mr. Samuel Wightman as an assistant manager of the Home Fire Department and chief official of the company's Town Fire Department, in succession to Mr. William Robert Macready, who has accepted an appointment with his former company, the Liverpool and London and Globe. Mr. Wightman has been in the service of the Guardian, in various capacities, for a period of 40 years.

* * *

MR. JOHN E. LOGAN.

Mr. John E. Logan, one of the best-known fire adjusters in Eastern Canada, passed away at the Western Hospital, Montreal, on the 23rd instant at the age of 64 years. Mr. Logan's reputation as an adjuster was of a high order and his death is deeply deplored by managers of fire companies who appreciated his valuable services and thought highly of him for his integrity, uprightness and faithful performance of his duties. The many who enjoyed his friendship can fully appreciate how much his presence will be missed in insurance circles generally.

* * *

MR. W. H. DRAPER.

An esteemed official of the Molsons Bank passed away this week in the person of Mr. William H. Draper, superintendent of agencies. Mr. Draper, who was only in his 58th year, had been in the service of the Molsons Bank or 36 years and prior to his appointment as superintendent of branches had occupied the posts of assistant manager at Toronto and manager at Hamilton. Mr. Draper was widely known as a thoroughly sound and conservative banker, and his comparatively early death is widely regretted.

* * *

MR. L. D. M. MEYERS.

We regret to announce the death, from appendicitis, at Toronto General Hospital, on the 27th instant, of Mr. L. D. M. Meyers, well known as inspector of the Northern Assurance Company for Western Ontario. Mr. Meyers was connected with the Northern for the past eleven years and had earned the respect and esteem of everyone with whom he had business relations. He was considered a most capable, conscientious official by the management, and his services were greatly appreciated by the company. His death is deeply deplored by a large circle of friends.

It is stated as probable that the British Government will shortly issue bonds running two or three years, through the banks to the public. This class of security has been hitherto purely professional.