

GOVERNMENT GETS CANADIAN NORTHERN STOCK

It Has a Speculative Thrill—Twenty-five Millions Convertible Stock Issued to Date

The most interesting feature of the subsidy granted to the Canadian Northern Railway is the giving of \$7,000,000 of the railroad's common stock to the Dominion government. The total subsidy granted to the coming transcontinental was \$15,640,000. This is made up of \$12,000 per mile, or practically a double subsidy for the portions of the transcontinental now under completion between Edmonton and the Yellow Head Pass, a distance of 260 miles, and between Ottawa and Port Arthur, a distance of 910 miles. In addition there is a subsidy at \$6,400 per mile for the 250 miles of line now under construction between Ottawa and Toronto.

Held by Finance Minister.

In return for the double subsidy on the 1,170 miles, the government will receive from the Canadian Northern Railway fully paid up shares of the common stock of the company to the par value of \$7,000,000. It is provided that this stock shall be held by the Minister of Finance in trust for the people, and that it may be disposed of at any time under the authority of the Governor-in-Council, and the proceeds paid into the consolidated revenue funds of Canada.

The common stock of the Canadian Northern Railway, according to the latest annual report, is \$70,000,000. The par value is \$100. No dividends have been paid on the stock, which was increased from \$55,000,000 during the fiscal year ended June 30, 1911. The amount of capital stock has grown during recent years as follows:

1906.....	\$30,750,000
1909.....	55,000,000
1911.....	70,000,000

Speculative Thrill for the Stock.

Questions have often been asked in the market about the capital stock of the Canadian Northern. Every year the amount appears in the company's annual report without comment. Mr. W. R. Lawson, the well-known English banker, once said that the government guarantees obtained by the Canadian Northern and the net earnings per mile rendered the holding of the Canadian Northern bonds a very prosaic operation. "It offers neither risk nor excitement—nothing but a prospect of steady appreciation in the years to come. All the speculative thrill has been reserved for the stock."

The Dominion Government will, therefore, have an opportunity, by its proposed acquirement of \$7,000,000 common stock, to participate in that "speculative thrill." While discussing the Canadian Northern's common stock, it must be remembered that \$25,000,000 5 per cent. income charge convertible debenture stock has been issued by the road. Of the authorized issue of £5,144,030 or \$25,000,000, \$10,000,000 or £2,057,612 was issued in London in October, 1912, and \$15,000,000 or £3,086,418 was issued previously in London and Toronto. The holders of this stock on January 1st, 1916, and each half-year afterwards until January 1st, 1919, have the option of converting their debenture stock into fully paid common stock at the fixed rate of \$100 of the debenture stock for each \$100 of shares.

Was Issued at 106.

The first issue of Canadian Northern convertible debenture stock was made, we believe, at 95. The latest one was made at 106, while the previous issue had been selling at 108 to 110.

In view of the forthcoming completion of the Canadian Northern transcontinental, the position of its common stock begins to create new interest. This is enhanced by the acquisition of \$7,000,000 of Canadian Northern shares by the Dominion Government.

The capital stock of the Belmont Black Fox Company, Limited, has been increased from \$48,000 to \$125,000.

The capital stock of the following Alberta companies has been increased: Sandeman-Cope Company, Limited, from \$25,000 to \$100,000 by the issue of 7,500 new shares of capital stock of \$10 each; Great Northern Oil and Asphalt Company, Limited, from \$500,000 to \$2,000,000, by the issue of 1,500,000 new shares of \$1 each; Frith, Townsend and Company, Limited, from \$25,000 to \$200,000 by the issue of 1,750 new shares of capital stock of \$100 each; and the Empire Hotel Company, Limited, from \$50,000 to \$250,000 by the issue of 2,000 new shares of capital stock of \$100 each.

BANK CLEARING HOUSE FOR MEDICINE HAT

Bankers Have Organized an Association in the Progressive Gas City

The bank managers at Medicine Hat have organized a local clearing house association. The eight following banks have branches in that city: Commerce, Dominion, Imperial, Merchants, Montreal, Quebec, Royal and Union.

Three bank clearing houses were established in 1910, one each at Brandon, Lethbridge and Saskatoon. Three, Moose Jaw, Brantford and Fort William, were established in 1911, and two, New Westminster and Medicine Hat, have been opened this year. There are now twenty-two clearing houses in Canada, twelve of which are in Western Canada and ten in the east.

The following is a list of the clearing houses:—

Clearing House.	Commenced Business.
Halifax	1886, 1 July.
Montreal	1889, 7 January.
Hamilton	1891, 15 June.
Toronto	1891, 21 July.
Winnipeg	1893, 4 October.
Vancouver	1898, 2 November.
Victoria	1898, 1 May.
Quebec	1901, 9 September.
Ottawa	1901, 1 June.
London	1902, 1 May.
St. John	1896, 18 April.
Calgary	1906, 11 July.
Edmonton	1906, 11 October.
Regina	1909, 1 April.
Brandon	1910, 1 September.
Lethbridge	1910, 15 October.
Saskatoon	1910, 9 February.
Moose Jaw	1911, 1 January.
Brantford	1911, 19 October.
Fort William	1911, 2 January.
New Westminster	1913, 1 May.
Medicine Hat	1913, 1 May.

The following are the Canadian clearing house figures by provinces for the past three years:—

	1910.	1911.	1912.
	\$	\$	\$
Ontario	1,956,040,935	+2,298,228,008	2,728,432,820
Quebec	2,212,268,621	2,501,810,415	3,003,128,011
Manitoba	973,694,051	1,202,192,416	1,571,114,590
British Columbia	546,555,892	678,414,170	827,663,115
Alberta	231,690,244	368,930,005	520,704,867
New Brunswick	77,843,546	77,328,182	88,960,218
Nova Scotia	95,855,316	87,994,038	100,467,672
Saskatchewan	59,743,982	*176,461,973	294,716,462
Total	6,153,701,587	7,391,368,207	9,143,196,764

* Moose Jaw started February, 1911, and the total clearings for the 11 months were \$39,988,342. + Fort William started October, 1911, and the total clearings for 3 months were \$7,865,923.

The clearing house figures for the current week appear elsewhere in this issue.

NATIONAL DRUG COMPANY TO SELL STOCK IN ENGLAND

The capital of the National Drug and Chemical Company of Canada, Limited, has been increased from \$6,000,000 to \$8,000,000, the increase consisting of £200,000 6 per cent. preference shares and \$1,000,000 7 per cent. preference. The company has no bonds. The capitalization is now:—

£600,000 6 per cent. first preference stock.
\$2,500,000 7 per cent. preference stock.
\$2,500,000 common stock.

The Monetary Times is informed that the recently created £200,000 first preference shares are all underwritten and will be offered to the public in Great Britain some time this month at 105. It is expected most, if not all these shares will be taken by old holders of the first preference shares, as a large number of proxies were sent forward by them to the special meeting of the company which was called to sanction the increase. Besides, this security appears to be attractive as it has been actively traded in at from ten to fifteen per cent. premium on the stock exchange in England.

The new 7 per cent. preference stock will not be offered until further capital is required. The new capital will be used in paying bank advances, in new buildings in Toronto, Winnipeg, Edmonton and Vancouver, and in other development.