

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$130,000,000

The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite banking business of every description.

THE BANK OF NOVA SCOTIA

TORONTO PAPER CO.

The annual report of the Toronto Paper Company shows that book paper industry has prospered during the past year. For the year ended March 31st profits were \$198,039, as compared with \$212,794 the year before, \$75,871 two years ago and \$58,761 three years ago.

That is the company held very fully the marked recovery reported for 1916-17. The small decrease in profits is probably due to the fact that there has been a deduction for war taxes due in respect to the previous year, while no provision of the sort appears to have been necessary a year ago.

After an increased allowance for depreciation and payment of bond interest, the company's surplus balance for the year was \$137,499, equal to 18.3 per cent earned on the capital stock, against earnings at the rate of 21.1 per cent a year ago, 4.7 per cent two years ago and 2.6 per cent three years ago. The balance in profit loss, which was \$34,777 at the end of the company's 1914-15 year has risen to \$254,089. Dividends and bonuses totalling 10 per cent were paid against 6 per cent in 1916, and nothing in 1915.

Comparisons of profit and loss figures for three years follow:

	1917-18.	1916-17.	1915-16.
Profits	\$198,039	\$212,794	\$75,871
Deprec.	32,000	25,000	10,000
Balance	\$166,039	\$187,794	\$65,871
Interest	28,540	29,352	30,000
Balance	\$137,499	\$158,442	\$35,871
Dividend	75,000	37,500
Balance	\$ 62,499	\$120,942	\$35,871
Prev. bal.	191,590	70,648	34,777
Total bal.	\$254,089	\$191,590	\$70,648

In the course of his annual report R. S. Waldie, president, states: "During the past year we built a new storage warehouse for our raw materials, and we have at the present time under construction an extension to our finishing department, which will be completed this summer. These additions were made necessary by our expanding business."

THE PAPER STOCKS.

Paper stocks held the centre of the stage on the local market during the past week. Brompton led off and on very active trading sold up to 53 ex-dividend. Spanish River was another strong issue both common and preferred making gains. Wayagamack, Laurentide and Riordon also came in for some attention.

For some months paper stocks have been more or less neglected by investors because of the action of the Government in restricting the profits paper makers were allowed to make. Despite the handicap under which paper companies worked they have been earning very satisfactory returns and this is in a large measure offset the Government interference. In the United States the International Paper Co. issued a statement a few weeks ago showing earnings of \$34.00 a share. In Canada such firms as Price Brothers showed net earnings of over 14 per cent; Brompton nearly 10 per cent on the common, while Riordon's also showed very large earnings; Spanish

River last year earned nearly 20 per cent on its preferred stock as against 2½ per cent. in 1915. In the year which will end on June 30th, 1918, Spanish River is expected to do even better than it did last year.

In the case of Brompton, the company's purchase of three mills in the United States is a bullish factor, one of these mills being a sulphite mill, the product of which will be utilized by the Brompton Co., in the manufacture of their news, whereby cutting down manufacturing expenses to the minimum. Paper companies, both in Canada and the States, are being careful and economically managed, while the demand for all kinds of paper products is almost unlimited, the indications are therefore, that a considerable measure of prosperity can be expected in the operations of these companies. It would not be at all surprising to see the Government grant higher prices for newsprint than the temporary price of \$57.00, which is in operation at the present time.

MONTREAL STOCK EXCHANGE.

Over double the business was transacted on the local exchange last week as in the previous six days period; the totals for listed shares being 20,916 shares as compared with 10,307. The chief activity centered in the pulp and paper stocks with Brompton selling around 52½ ex-dividend, Wayagamack at 50 to 50½, Riordon gaining 4 points on a dividend increase announcement and Laurentide and Spanish River also active and stronger. Altogether on Saturday seven paper stocks contributed 2,840 shares to the total turnover or 80 per cent. of the day's trading.

Apart from the paper issues Canada Steamships was about the most active issue.

The volume of business on the Montreal exchange showed expansion as compared with the week preceding, and in shares was about the same as in the corresponding week of 1917. Comparisons follow:

	May 4, 1918.	Apr. 27, 1918.	May 5, 1917.
Shares	20,916	10,307	21,357
Bonds	\$103,100	\$107,600	\$108,400
Unlisted shares	882	425	320
Do. bonds	\$341,500

ENEMY WHEAT CROP.

In 1912 the wheat crop of the Teutonic Empires, their present allies, and the states now occupied by them, was 642,300,000 bushels. It reached 593,200,000 in 1915, but fell to 503,400,000 in 1916 and to 430,500,000 in 1917. Even before this very heavy war-time decrease, Germany herself had to import 90,000,000 to 100,000,00 bushels.

EUROPE'S GRAIN CROP.

Apparently the acreage planted in England to wheat this year will be considerably larger than in 1917. In France we imagine that conditions do not favor a material increase of production. In view of the great demands made on the man-power of the Central Empires for purposes of the offensive efforts on the western front, it is to be expected that labor shortage, to say nothing of exhaustion of the soil, will stand in the way of good harvest yields. As regards Russia, we doubt that conditions in that country will permit the production of anything like a normal crop.

BRAZILIAN TRACTION CO.

Traffic earnings of the Brazilian Traction Company for the month of March amounted to 8,094,000 milreis. High fuel costs provide a formidable obstacle in figuring the net, however, and operating expenses for the month were a little in excess of fifty per cent. of the gross.

Comparisons for the first quarter of the year are as follows:

	1918.	Gross.	Net.	Dec. in Net
January	7,837,000	3,696,000	306,000	
February	7,315,000	3,565,000	320,000	
March	8,094,000	3,925,000	226,000	

APRIL RAILROAD EARNINGS.

Canada's three principal railroads established a record for gross earnings in April, the three systems reporting aggregate receipts of \$23,084,035, an increase of \$2,847,924 or 14.1 per cent. over the high record established in April a year ago. As compared with April, 1915, the increase is well on to \$10,000,000.

Grand Trunk's increase amounted to \$1,233,724, or upwards of 25 per cent. The gross earnings as compiled from the weekly statements, completed with the returns for the last nine days of the month, issued yesterday, show the following comparisons with April, 1917.

Road.	April gross.	Increase.	P.C.
C. P. R.	\$16,007,000	\$ 971,000	8.0
G. T. R.	6,118,935	1,233,724	25.2
C. N. R.	3,958,100	643,200	19.7
Total	\$23,084,035	\$2,847,924	14.1

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The Canadian Bank of Commerce

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President.

SIR JOHN AIRD, General Manager.

H. V. F. JONES, Assistant General Manager.

Capital Paid Up, \$15,000,000

Reserve Fund, \$13,500,000

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