

NOT PRESENT

Fresh air has been a notable absentee from the annual meetings of most financial institutions this year. With the board room heating systems going at full capacity, and windows tightly closed, directors and shareholders are led cheerfully into the merry carousal of the 57 varieties of germs which flourish wherever fresh air is unknown. The first requisite of a successful annual meeting is the proper ventilation of the board room.

NEUTRALS

It is an easy pastime for the heads of neutral nations to sit on the fence, jerking finely finished phrases towards the belligerents while the people of those neutral countries are rapidly making money as traders and bankers. That position may or may not be a matter of wise choice. Great Britain has not objected to neutrals filling their pockets and writing history in ink while Great Britain and its Allies are emptying pockets and writing history in the blood of their sons in a fight for the preservation of the world's liberty and freedom from Prussianism. But the neutrals should understand that now that the British navy has a tight noose around the neck of German economic life, every citizen of Great Britain, of the British Empire and of the Allied countries intends that the noose shall remain and shall be drawn more tightly. The world's rights may safely be trusted with the British navy which has a splendid conscience and gallantry, but a hard fist for the wrongdoer against morals and civilization.

While the neutrals are going down in history as makers of classic literature during the Great War, the British Empire and its Allies do not intend to allow blobs of ink to prevent the British navy from completing the work it has begun, the bringing of Germany—the nation run amuck—to its knees. Germany is besieged and its stream of supplies is becoming thinner. Even should the German diplomatic corps in neutral countries, with fine cunning, make tools of the neutrals, the British Empire and its Allies do not intend to be hammered by those tools at this critical stage. This position is shared by Britain, France, Russia and the other Allied countries, including the not unimportant Japan.

WESTERN CANADA POWER COMPANY

While the interests of the bondholders of the Western Canada Power Company should be safe in the hands of the recently formed protective committee, there are some serious matters which that committee and the bondholders should consider. The company has announced that it is unable to meet the coupons on its first mortgage bonds maturing on January 1st, 1916, and suggests that two years' coupons be exchanged for preferred stock. It is suggested by those actively interested in the formation of the protective committee that "not only are the monthly earnings of the company now sufficient to pay the interest on the \$5,000,000 first mortgage bonds, but with the installation of additional machinery already ordered and partly paid for, will be sufficient to provide a surplus, after paying interest on the further moneys required for the extinction of the present floating debt and the installation of the additional machinery." The question arises here as to whether it is advisable, or even sound business, to install additional machinery. The present capacity of the company is, we believe, about 25,000 horse-power. Upon that capacity in 1914 the company was able to earn

only \$228,652, not enough to pay the interest of \$250,000 on its first mortgage bonds, an additional \$1,000,000 issue of which (from \$5,000,000 to \$6,000,000) was authorized in December, 1914. The result of operations for 1914 was, therefore, a deficit of \$23,848. This result apparently was obtained from only two generating units. Now it is proposed to build two other units, an additional expenditure of \$90,000 being required to complete the installation of the third unit; and \$165,000 for the fourth unit; and \$400,000 for the completion of dams necessary to operate these four units to their full capacity. This is a total of \$655,000 proposed for two further units which will increase the company's capacity to 52,000 horse-power. In face of a deficit of over \$23,000 in 1914 with only 25,000 horse-power to sell, is the company justified in spending a further \$655,000 to make available 52,000 horse-power in a market for power where the demand has decreased considerably since 1912?

MINES AND MINING

Considerable interest has been aroused by recent references in *The Monetary Times* to the voluntary liquidation of the Canadian Mining and Exploration Company. Its object was to investigate and exploit mining and other proposed enterprises. Although it investigated 1,500 mining propositions, not one was found the owners of which would sell on terms warranting financial promotion. After three years' work nothing of value had been discovered and the company concluded to return the capital it secured.

A reader in Prince Rupert, B.C., whose letter is printed elsewhere in this issue, thinks that the company wanted a "sure thing" before they would "take a chance," if such a paradox is permissible. In a letter to *The Monetary Times*, the Vancouver chamber of mines takes similar ground. As stated in these columns previously, one of the directors of the company is a man who has an intimate knowledge of the mining industry and of mining promotion. He thinks that the fact that the Canadian Mining and Exploration Company was not able to find good property out of 1,500 propositions submitted, is not at all strange, and adds that the proposals placed before capital by prospectors are surprising. Immediately a little gold or silver is seen, prospectors claim to have a mine, he says. On the other hand, another director of the company writes *The Monetary Times* as follows: "It may be that the failure of the object of the company arose from the fact that they were too conservative, and that the men were risking their own hard money and not money raised by speculative adventurers in mining."

In any event, the results of the company's career have been a disappointment to those interested in the mining industry.

The conservative estimate of the census and statistics office, Ottawa, published this week, places the total value of the field crops of the Dominion last year at \$800,000,000. New high records were established both as to quantity, quality and market value. The earlier estimates as to the grain yields of the prairie provinces have had to be revised upward. Canada's total wheat yield is now estimated at 376,303,600 bushels, or 215,023,600 bushels more than the previous year, with an average yield per acre of 28.98 bushels, as compared with 15.67 bushels per acre in 1914. The average yields of oats, rye and other cereal crops show similar phenomenal gains. This is a record which will atone for many past economic sins.