

CANADA PROMISES TO BE HIGHLY PRODUCTIVE FIELD

General Situation is Healthy, is Summing Up of Sir Thomas Shaughnessy

"Our Canadian banks realize their responsibilities as financial guides and guardians and just now they are taking up a conservative attitude which is both wise and timely. Like wise bankers in other countries, when there is a war feeling in the air, they are strengthening their reserves and I think that at the present time our banks are very strong in their reserves. So the situation in that respect is sound," stated Sir Thomas Shaughnessy in a recent interview.

"The existing general scarcity of money, or rather the high rate of interest demanded by lenders has necessarily had the effect of restricting the issue of municipal and other securities and there has been a consequent falling off in the amount of public work that is being done.

"But this state of affairs is merely temporary, due almost wholly to extraneous causes and I can see no real reason for anxiety. The general trade of the country appears to me to be reasonably good, and, with a fair crop, we have every reason to expect that conditions will be quite normal again in the late autumn.

Must be Large Expenditures.

"You tell me that in some quarters gloomy prophecies are being made to the effect that there is likely to be serious financial trouble in Canada this autumn, but, for my part, I have no fear of any trouble this autumn and I cannot see any reason why there should be any.

"People who are talking about Canada's reckless expenditure, asserting that she is unwarrantably pledging her future and that a crisis is imminent do not, I think, realize just what has been occurring here during the past few years.

"Let me quote the case of a town in the West where the assessed taxable value has jumped from \$275,000 in 1903 to \$35,000,000 in 1913. In the ten years covered by that stupendous increase many miles of excellent roadway have been constructed, sidewalks, sewers, electric light, an electric car system, water supply and many other public utilities have been provided and many hundreds of factories, warehouses and large residences have been put up. To meet conditions such as that, there must necessarily be large expenditures on the part of the municipal corporations but there is not the slightest doubt that the people who have loaned money for these purposes possess excellent security. In my opinion the municipal securities in Canada have been and are now gilt-edged.

General Situation is Healthy.

Sir Thomas made it quite clear that there is no need to anticipate anything in the nature of an economic crisis in Canada. He said that the banks and other interests concerned had the situation well in hand and expressed the belief that the fact that his company had recently decided to spend \$100,000,000 on extensions and new constructional work during next and ensuing years was calculated to increase confidence and have a steady effect.

"The tide of immigration is greater this year than ever," said Sir Thomas, "and this is another encouraging feature. We are fortunate in getting a better class of immigrant than the United States got in their early days. The United States had to look to the United Kingdom and the Continent of Europe for their new population whereas we, in addition to that field, have the United States as well and the people we are getting from the United States are among the best coming to us, especially for farming purposes.

"All those who come to Canada from over the border are most welcome whether they be farmers or manufacturers, and I do not think that those who have come to us in the past have had to regret their coming. Canada, in short, is still a comparatively new field; a field which promises to be highly productive in the future. And the general situation is quite healthy."

CANADIAN SURETY COMPANY FORMED

The Canadian Surety Company of Toronto has been formed as a subsidiary of the American Surety Company of New York. It will re-insure in Canada the business of the American Surety Company and take over its agency organization here. Mr. W. H. Hall, formerly manager for Canada of the American Surety, is general manager, and Mr. W. H. Burgess, secretary.

The Peerless Cafeteria Company, Limited, has increased its capital stock from \$12,150 to \$100,000 by the creation of 87,850 new shares of \$1 each.

WAYAGAMACK PULP AND PAPER COMPANY'S REPORT

President Reviews Progress Made—Net Earnings—Outlook is Bright

The satisfactory profit and loss statement submitted at the first annual meeting of Wayagamack Pulp and Paper Company covers one year's lumbering and the operation of the pulp and paper mills for six months. The net earnings as shown by the statement, were \$256,773.99.

Mr. J. N. Greenshields, K.C., president of the company, in his address to the shareholders, remarked:—

"The construction of the plant was designed with an initial capacity of fifty tons of pulp and fifty tons of finished paper, but so designed as to permit of its gradual extension to reach ultimately a capacity of two hundred tons of paper. This policy necessitated the installation of considerable portions of the plant on a scale much larger than would have been required to deal with the present output. By having incurred these additional expenditures at the present stage, the company will be enabled to effect the extension without disturbing the continued operation of the first units.

Gradually Put Into Operation.

The pulpwood plant was completed in sufficient time to operate during the summer of 1912, thereby furnishing the necessary supply of raw material for the operation of the paper plant, when completed and started during the following winter. During the next four months the various parts of the pulp and paper mills were gradually put into operation, machinery tested, and samples of the product delivered to the trade for the purpose of securing the market.

The permanent running of the pulp and paper plant on the standard product was begun on the first day of January, 1913. The profit and loss statement submitted covers one year's lumbering and the operation of the pulp and paper mills for six months.

A third machine is being erected and should be running by the beginning of September. The output of this machine will be readily sold in conjunction with the present product, and will complete the line of "Kraft" papers.

What Balance Sheet Shows.

The company's assets are as follows:—

Cash and accounts received \$ 145,787.35

Inventory:—

Pulpwood \$145,951.95
Lumber in yard 61,566.51
Logs in boom and river 285,708.91

Stores \$ 493,227.37
Stock of paper on hand 53,066.94
Buildings, plant, etc. 54,990.00
Property limits 2,077,784.34
..... 6,560,807.35

And the liabilities are:—

Accounts payable \$ 190,371.69
Bills payable 118,207.05
Loans 128,381.70
Accrued interest on bonds 87,500.00
Charges accrued 41,162.21
Reserve against contingencies 168,266.71
First mortgage gold bonds 3,500,000.00
Common stock 5,000,000.00
Profit and loss 151,773.99

\$9,385,663.35

Mr. Greenshields stated that a good market had been secured in New Zealand, Australia, South Africa and the United States, while the demand in the home market, which they had counted on as taking 50 per cent. of the output, can now be depended upon to absorb 80 per cent. of the total output.

INQUIRY DESIRED INTO UNION LIFE AFFAIRS

A resolution was unanimously passed at a meeting of British shareholders appealing to the Canadian minister of finance to take all possible action to cause a government inquiry to be held as to the failure of the Union Life Assurance Company, particularly as to the prospectus issued to the English shareholders in 1910, at a meeting of British shareholders.

The Medicine Hat Grocery Company has increased its capital stock from \$100,000 to \$200,000 by the issue of 1,000 new shares of \$10 each.

The Bank of Nova Scotia has opened a branch at Trenton, N.S. Mr. R. H. Gibson has been appointed acting manager.