Journal of Commerce

italization should be based on the original cost of the property, or the actual investment of capital in the enterprise. The stocks and bonds should represent money paid in. It is-contended that investors are enbut to nothing more. This is the view that seems to have been generally accepted at Ottawa in the recent discussion of the evils of stock water-

The proposition that capitalization seems on first examination, to be a fair one, but further reflection will show that there are serious objections to such a rule. In some cases enterprise would give too high, and in other cases, too low a capitalizaa capitalization where the original cost, on account of high price of labor, high rate of interest, incompetence of management, or other causes be the present cost of building the The State cannot permit the capitalization of dishonesty, extravagance, or incompetence, nor can t permit the burden of absolute in dustrial processes or administration to be imposed on future generations

It is unquestionable that in the construction of some of our earlier Cana dian railways, capital was recklessly squandered in the process of construc tion, On the other hand the basis of original cost would give too capitalization in the case of those roads which have been compelled in of service, to make heavy expendi tures for the purpose of competing or contributing systems. The public has no legitimate gain to all claim resulting in economy in the refunding of indebtedness and in the operation f roads. It seems not unreasonable that skill in management should be capitalized, at least to some extent. The preference of railway and other business managers, for earning capacity as a basis of capitalization. Is easely understood. Capitalization or this basis enables a business to co ceal the extent of its profits, an to absorb increasing revenue without incurring public displeasure, and ar ousing agitation for lower price more, a company that is lightly capitalized can usually be sold better advantage than one with low capitalization. People seem like to deal in large figures; and th average investor prefers to buy 200 shares quoted at 50 and paying, say 3/per cent, than 100-shares of stoc

oted at par and paying 6 per cen There are two legitimate argun that may be advanced in favor o capitalization on the basis of earning capacity. One is that in no other way can the risks incident to a new enter prise, repelling timid capital, be over weighted by possible profits through premiums in the form of securities purchasable at discount.

This argument does not hold, how ever, in the case of businesses that in-volve no real initial risk. The second

or on the basis of earning capacity is that it obscures the relation between rates, wages and profits. It is impossible to discover whether upon the investment. This is imand rates. The issuance of additional earning power makes it possible for

In many cases, it must be confessed, neither, original cost nor earning power furnishes an entirely satisfactory basis of capitalization. As a substitute, cost of production has been suggested, and applied in some instances, notably in the United States. By this is meant, in the case of a

to the real investment if life corporations, is to protect the

The number of new policies written Canada last year, by British comnies was only 2,522 as compared vith 205,316 by Canadian and 243,583 y American companies. It must be knowledged that the amount of the olicies taken in British Life companes averages very high, but even so, he amount written is very small the Canadian and American com-

J. Harpell, both journalists of re-oute. The taste of their quality which hey have given us in the first number s sufficient promise that they will be afe and same counsellors, as well as aithful chroniclers of the country's commerce.—Toronto Globe, May 8.

The publication of The journal of Commerce at Montreal as a daily jewspaper, is in itself an indisputible evidence of the rapidity with which the financial, industrial and commercial interests of Canada are srowing. The Journal of Commerce at growing. The Journal of Commerce at most and industrial and outside and justiness staff; the Hon. W. S. Fielding, ex-Finance Minister of Canada, neing the editor and editor-in-chief, as might be expected. The Journal of Commerce largely devotes its space to town particular field, but it is nevertheless a complete newspaper. It is well written, as might naturally be expected. It is well edited, and evidently its staff knows the art of naking seemingly dry quotations, exceedingly attractive reading matter, Fine Journal of Commerce has well chosen its field, and merits the public patronage which it is seeking,—Moneton Transcript, May 8th.

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1910 684		46	2
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non on the c	A fine	stext for	9 Ser.
rcised by p	rospective	invest	nd ex-

sincere. The idea of choosing the Golden Rule for his text, and then preaching to us for more than two lours."—Puck. Judge (to prisoner at the bar)-"So

you confess that you robbed the sav-ings bank. Have you anything to irge in the way of extenuating cir-cumstances?"

Make Rich Find Barite In Alaska

Weatherbeaten Cliff Seemingly of Limestone Contains Useful Mineral COMMERCIAL USE

Jarron dioxide (CO2) Nonpead Sulphide (PbS)
Inc sulphide (ZnS)
Inc sulphide (ZnS)
Inc sulphide (ZnS)
Inc formation of the material contains about 89
per cent. of barium sulphate, or barit
und is therefore nearly 90 per serior

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In the account of the hullings discount. The compared to the hullings of the control of the cont

PARTICIONED IN CHARGE STATE AND LIFE CASES OF THE PARTICIPATION OF THE P

to be in an excellent state of prescrivation. The wood is in demand to-day by cabinet-makers, who employ it the manufacture of high-grade furniture and household fittings.

The fruit the sapodilla pear, was sonce very popular in Latin American markets, but the constant demand for gradient to the gum and the consequent tapping or educed the size and quantity of the fruit that it has become almost a negligible product.

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Throughout the rainy season, while a presented creating the countries represented creating the countries of Commercial Statistics. Quite apart from the ordinary trade returns here of Commercial Statistics. Quite apart from the ordinary trade returns the cash countries represented creating the countries of Commercial Statistics. Quite apart from the ordinary trade returns its from the ordinary

the sulphide (ZnS) 1.55
If a diagranese dioxide (MnO2) Trace
The material contains about 89.16
per cent. of barium sulphate, or barite, and is therefore nearly 90 per cent, and is therefore nearly 90 per cent, and is not especially deleterious. The chief impurity is silica, which grinds white and is not especially deleterious. The remaining minrais, mainly metallic oxides and sulhides, aggregate less than 4.5 per ent, although only about 2.98 per cent shown. These are not high percentges of objectionable impurity and probably are below those carried by an annoyably and the fermion and thickens to the consistency of the maintenance and an annoyably and the frame and an annoyably and the form of a bulletin printed in the form of particular and sulfate and a bulletin printed in the form of a bulletin printed in the full and bulletin printed in the full and bulletin printed in the full

Evening Up in Richelieu S

VOL. XXIX. No. 8

Street Looks to see St Well Taken Care of i London

AFTER THE EXCHANG minion Iron Steady - Pres Plummer Denies Report of Re

with no news of Importance to a definite lead either way, so not the Montreal Stock Exchange ipert, but well maintaining their jion, except in a few instances. The process of exening up is going or, in Richelieu and Ontari 93 and 9914. Toronto has been bish on the stock, but local advices, London are to the effect that the old. Steamship issue will be wolf I al after when the exchange has inally effected.

Mr. Plummer's View.

Mr. Plummer's View.

Dominion Iron was a shade firme
the early trading, but at noon
dropped below the level of yesterd
close, changing, lands at 213,
Mr. J. H. Plummer, when asked
a correspondent of the Journal of Cunerce at Sydrey, N.S., if he had r
reports in upper province papers t
ne was about to resign from the S
Company, Said:

ompany, said:
"I cannot understand why these pers print such reports. There pers print such reports. There been no discussion whatever on suidect. I have said from time to to in the past few years that I am a bus to be relieved of my burdens, nothing whatever hus been done." The President had nothing to say to how things were zeing at the pla

C. P. R. Was Heavy. C. P. R. Was Heavy.

Canadian Pacific sold off a point
191 owing to the heaviness which do
inated the stock at other centres.

Brazilian was somewhat off at 71
as was also Twin City at 164½.

Most of the industrials were stee
of which characteristic bank iss
also betook.

The recent weakness in Annes-Heapissuns as sant to heave had we be
the issues as sant to have had we be

issues is said to have had no co ion with the position of the co . Interests close to the mana better than ever before, and that dividend is fully assured.

UNITED STATES STEE

President Thinks naustry is About Enter Cycle of Recuperation

The president of the United Sta Steel Corporation is one of the L dozen eminent authorities who the the Steel industry is about to enter cycle of recuperation. When w Charles M. Schwab join this lit

group of optimists?
The head of the Bethlehem St
Corp. Is said still to view the busine
outdook through dark glasses thou
outdook through dark glasses thou
the comment is heard every day the
Bethlehem stocks do not act as
the steel outlock is hopelesss
Now for that matter does Unit
States Steel, in which potential bu
ing reflects the belief that, as Pr
Farrell opines, revival in the cou
try's principle basic industry is n
far off

MUNICIPAL BOI IS NOW

In an interview this morning with representative of the Journal of Commerce, Mr. Va. Woodcock, of the Municipal Bond House of C. H. Burges & Co., of Toronto, stated that the municipal bond business was compa municipal bond business was compa atively quiet at the present time, a though up until a month ago busine-in this class of securities was ve-brisk; more so than at any time du-ing the past two years. There was now, however, some hes tation in the demand due, no doubt, the general unsettled condition throughout the world brought about by the Mexican and the Ulster situations, both of which are receiving con-siderable attention from investing

Then again the brisk business during the earlier months of the year ha advanced the prices of these bonds with the result that they could no how be secured at the abnormal low prices prevailing last fall and during the early winter. ally Low Prices.

this municipals ar selling at the present time 5 or more points below what they were selling as 3 years ago, and as soon as the unsettled conditions disappear there will undoubtedly be a brisk market for this class of security. uss of security.

There is every indication that with
the year prices will have reached de-

e year prices will have reached de-lly higher levels than are now ob-Canadian Bonds Abroad. r. Woodcock has recently return-from an extensive trip through the ited States in the interests of his

******* A FRANK STATEMENT

DVERTISING is necessary A DVERTISING is necessary high grade newspapers. I high grade newspapers. I high grade newspapers itative articles, and illus a price which does not cover the ducing this paper.

Advertising has made it possible helped you to replace old-fash conveniences—is always bringing improvements and economies, to our advertisers, and we are a their patronage by constantly re-
