CANADIANS GET NEW BUSINESS

The economical value of the war to Canadian industries, is discussed in a lengthy article, by Mr. W. L. Edmonds, in the current issue of the Canadian Manufacturer. This endeavors to show that domestic manufacturers are trying to oust the German article and supply the made in Canada product.

NATIONAL TRUST COMPANY

After hearing so much recently about so-called trust companies which have encountered serious trouble, it is a pleasing change to analyse the report and financial statement of a strong corporation such as the National Trust Company. In the services of Mr. J. W. Flavelle, the president, and of an unusually strong directorate, and in the energetic and progressive management of Mr. W. E. Rundle, the company have substantial assets. While the net earnings last year were slightly less than in 1913, the financial statement was quite satisfactory and shows a sound position. The net earnings were $237,869, or 15.85 per cent. on the paid-up capital, a decrease of $14,153 from the net earnings of 1913. This decline in net earnings is due to certain increases in expenditure of an unusual character, and not to a decline in gross earnings. The gross earnings in 1914 were, by a considerable amount, the largest in the history of the company. The construction of a new branch office in Montreal, causing the company to take temporary premises, was responsible for the loss of the net rental which was received from the old building, while in addition a rental of $10,000 per annum was paid for the temporary offices. This, however, was provided out of the year's earnings, as were also the cost of alterations to some of the company's branch offices.

The net profits, after providing for all cost of management, salaries, advertising, auditors' fees and other expenses, amounted, as stated above, to $237,869.06. To this must be added $16,788 brought forward from 1913, making the total at credit of profit and loss account $254,657. This was appropriated as follows:—Four quarterly dividends at the rate of 10 per cent. per annum, amounting to $150,000; company's office premises, written off by $50,000; and carried forward in profit and loss account, $54,657.

An examination of the financial statement presented at the company's annual meeting this week, shows that $100,000 could easily have been added to the reserve fund. That fund, however, is already equal to the paid-up capital, a notable record in itself, so that the directors decided to use $50,000 of the year's profits in writing off office premises account. The company is adopting the wise policy of providing necessary expenditures in connection with office premises, out of earnings, rather than by investing a larger proportion of the capital in office building. As was pointed out by Mr. Rundle, the capital and reserve fund of the trust company constitute the guarantee which it offers to the public for the proper conduct of the business entrusted to its care. As small a percentage as possible of the capital, therefore, should be invested in office premises.

A gratifying sidelight on present conditions, was thrown by Mr. Rundle, who stated that despite the large amount of mortgages which the company holds for itself and its clients, interest collections during the year were very satisfactory. The increased prices for farm products, owing to the war, have largely, if not wholly, made up for the partial crop failures in certain districts of the provinces of Manitoba, Saskatchewan and Alberta. A marked tendency has been shown during the past few years by farmers in the western provinces to go more and more into mixed farming, with most beneficial results to themselves and to the country generally. This development has rendered the farmer less dependent upon the growing of grain, and it is to be hoped that the prospective high prices for wheat and other grains, due to a more or less temporary situation set up by the war, will not have the effect of arresting this development.

Sir Edmund Osler, speaking to *The Monetary Times* of the outlook says:—"The coming year evidently is to be one of intense interest and one where it will be impossible even to guess at the outcome."

PRICE BROTHERS AND COMPANY'S REPORT

Profits of Price Brothers and Company, Limited for the past year amount to $692,830. From this there was deducted interest on bank loans, overdrafts, etc., totalling $98,819 and bond interest, $290,230. The proportion of sinking fund accrued towards first payment due 1st May, 1915, was $70,000, so that a net balance of $233,779 was achieved. The balance at the credit of profit and loss account at the close of last year was $1,026,251. The directors decided to add to the reserve for depreciation out of these accumulated profits $250,000, leaving a balance to be carried forward of $1,010,031.

During the past year $188,205 was charged to revenue in respect of repairs and improvements; and while the directors are satisfied that the plants are well maintained and in good condition, that the inventories of stocks on hand are correctly taken at cost or under, and that their system of cutting timber is such as to cause no actual depreciation to the wood lands, which are of constantly increasing value, they have yet decided, states Sir William Price in the company's annual report, although they do not think it necessary, to continue the conservative principles of the management in the past, and to put aside the above $250,000 out of accumulated profits to a general depreciation fund.

The company's ground wood pulp mill at Rimouski was shut down during the year, owing to the low prices prevailing. The operations of the Kenogami Paper Mill proved satisfactory. This undertaking added to the earning power of the company. The directors think that the current year will show even better results from this source. The mill is operating at full capacity and contracts have been made for the output of the year.

The lumber part of the company's business, while proving profitable as heretofore, has suffered in common with other similar undertakings, particularly in the domestic market. An improvement in this business is anticipated.

The company's assets are shown as totalling $17,244,020. Among the company's liabilities capital issues and bonds amount to $5,804,862, current liabilities $2,247,007, contingent accounts $65,437, reserve $1,570,031 and capital surplus $2,556,681.