has been urged by people who do not, apparently, understand what purposes the New York call loans fulfil, that the banks should be forbidden to lend so large an amount of their resources in foreign countries. There is no need here to repeat the reasons that justify the foreign loans at call. I shall, however, quote Dr. Johnson's remarks upon the subject.

He says: "Their call loans in New York subject the banks to considerable criticism. Some people assume that the money loaned in New York rightly belongs to Canadian industries, and that it would be loaned in Canada if only their bankers were not so eager to make 'easy' money in Wall Street. This criticism betrays ignorance of the nature of the Canadian banking reserve.

Either Law or Public Opinion.

"If either the law or public opinion should prevent the banks from lending money on Wall Street, Canadian borrowers would be no better off than now. The banks would merely be obliged to carry in their own vaults the money they now lend in New York. As their earnings would be less than now, quite possibly their equipment and facilities would also be less, and the Canadian borrower not so well cared for as now."

It is necessary now to refer to the matter of external examination. Owing to the warm discussion of this subject in the past year it is rather likely that when Parliament takes up the Bank Act public interest will converge upon the discussion as to what is best policy regarding the placing of the bank executives under supervision from outside.

LARGE MONTREAL CONCERNS.

The Canadian Explosives, Limited, a New Merger—Many Changes May be Made in Amalgamated Asbestos Company—Prospects Good for Spanish River Pulp and Paper Mills Company.

Monetary Times Office,
Montreal, Nov. 29th.

It is only a few weeks since the announcement of the successful flotation of a large Canadian timber, pulp and lumbering concern was cabled from England. We have now the announcement of another re-organization of a somewhat similar character in Espanola, Ontario. The name of the new concern is the Spanish River Pulp & Paper Mills, Limited, this being the re-organization of the Spanish River Pulp & Paper Company, which has been in existence for some years.

The capitalization of the new concern will be as follows:

	Authorized.	Issued.
Preferred stock, 7 per cent.	$2,000,000	$1,500,000
Common stock	2,000,000	1,650,000
Total	$4,000,000	$3,150,000
Bonds 6 per cent.	$2,500,000	$1,300,000

The entire bond issue has been purchased by the Dominion Bond Company, of Montreal and Toronto, whose president, Mr. Garnet P. Grant, effected the re-organization.

There will be no change in the personnel of the management of the concern, and the board of directors will be as follows: Mr. W. J. Shepherd, Waubaushene, Ont., president of the Northern Navigation Company; Mr. J. B. Tudhope, of Orillia, Ont., president of the Carriage Factories, Limited; Mr. C. Kloepfer, Guelph, Ont., director of the Traders Bank; Mr. James Playfair, of Midland, Ont., president and general manager Inland Lines, Limited; Mr. Thomas H. Watson, Toronto, vice-president Canada Bolt & Nut Company, Limited; Mr. John R. Barber, Georgetown, Ont.; Mr. Garnet P. Grant, president Dominion Bond Company, Toronto; Mr. Allan McPherson, of Longford Mills.

Profits of New Company Should be Good.

Mr. W. J. Shepherd, president of the company, considers that for the year 1910 the profits of the Spanish River Pulp & Paper Company will amount approximately to $234,000. It is claimed that with the erection of a paper mill as contemplated, the profits of the company should amount to not less than $600,000 per annum.

While details of the basis of Mr. Shepherd's estimate of future profits are not stated, it is announced that the company will keep in its treasury sufficient bonds to permit of the erection of a 100-ton newspaper mill next year. This mill will have a capacity of 30,000 tons of newspaper per year and 25,000 tons of ground wood pulp. This year the company will ship 46,000 tons of ground wood pulp, all of it being exported into the United States.

Company May Issue More Bonds.

The interest on the bonds of the company now being issued would amount to $78,000 a year, and the dividends on the preferred stock to $105,000 a year. It would not be fair to apply the estimated profit of $600,000 to this capitalization, as it is evidently the intention of the company to issue further bonds for the purpose of erecting the mill which will make the earnings of $600,000 possible. Assuming that the entire authorized bond issue of $2,500,000 were put out, the interest on it would amount to $150,000 per year; adding to this the $105,000 dividends on the preferred stock, a total of $255,000 is found, or less than half the estimated earnings mentioned above.

New Explosives Merger.

It is announced that the Canadian Explosives, Limited, with a capital stock of $15,000,000, has been formed. The head office is in Montreal and as incorporators are mentioned the names of G. W. MacDougall, L. Macfarlane, C. A. Pope and G. Barclay. These names are presumably a formality and do not represent the people behind the movement. So far as can be ascertained, there are but five large explosives companies in Canada, these being as follows: The Hamilton Powder Company, Montreal; Standard Explosives Company, Montreal; Western Explosives Company, Montreal; Acadia Powder Company, Halifax; Ontario Powder Company, Kingston.

It is assumed that the Canadian Explosives Company, which has just been incorporated, is formed for the purpose of merging a number of the above concerns and perhaps other smaller companies which are to be found throughout Canada. That Mr. William McMaster, president of the Hamilton Company, formerly of the Montreal Rolling Mills, is the organizer of the company is not doubted, but he is absent from the city and will not return for some weeks. Meantime, no one is in a position to speak for him, apparently, but the opinion is that a merger, on the lines mentioned, is afoot.

Some time since, a concern called, possibly, the British-Canadian Explosives, having a capital of something like $25,000,000, was announced, and it was then stated that this company was intended as a merger. Some well-informed people in the explosives business know nothing of the matter.

Amalgamated Asbestos Company.

Shareholders and bondholders of the Amalgamated Asbestos Company are much interested in the reports of a meeting having been held relative to putting the property of the company in a better position. The meeting was held last Monday, at the head office in Montreal, but little information was given out. Among other important moves, was the election of Mr. R. M. Aitken, of the financial house of Messrs. Kitcat, Aitken & Company, of London, Eng., to the directorate. The importance of this election becomes evident when it is remembered that Messrs. Kitcat, Aitken & Company are generally regarded as the financial agents of the Amalgamated Asbestos in London, and were certainly prominently concerned in the distribution of the company's securities to the English public. Mr. Aitken took the place of Mr. R. T. Hopper. There also attended the meeting: Messrs. Thomas McDougall, of the Quebec Bank, president of the company; Mr. H. E. Mitchell, of Philadelphia; Hon. James M. Bach, and Mr. H. H. Mellville, of New York; Mr. Percy Cowans, of Montreal; Senator Mackay and Mr. J. M. McIntyre, of Montreal.

After the meeting, information was given that the end of the year would be changed from May 31st to December 31st, and a special meeting of the shareholders will be called shortly to authorize the change. Should authorization be given, the change will take place right away. This is generally interpreted as favorable to the position of the company, as if it were not the opinion of the directors that the business of the past year would show better results there would be some reluctance to making the change now and thus being compelled to meet the shareholders while they are still smarting from the recent slump in their securities.

Many Changes in Company.

It is freely stated that all round changes are being made in the conduct of the company. The directors are introducing the policy of retrenchment by cutting down their own remuneration. Much discussion has also been heard concerning other expenditures which are unnecessary and which have been occasioned partly through influences, and which no doubt a wise business policy will set right, providing there is anything to set right. Mr. Aitken being spoken to after the meeting, expressed the view that a change in the fortunes of the company was about to take place.