

LACOMBE AND BLINDMAN VALLEY RAILWAY

Has Been in Default Practically Since Commencement—Now Taken Over by Province

THE Alberta government is at present enacting legislation to take over the Lacombe and Blindman Valley Railway. Discussing the bill recently in the provincial house, Premier Stewart said:—

"I think the government will be well advised to dispose of the railway as soon as possible to one of the transportation companies. I do not mean that government ownership is not a good thing but I think that under the existing conditions, one of the transportation companies which have the men and the organization would be the best to operate the line."

Mr. Stewart also gave a detailed financial statement of the company's obligations which include the following:—

Advances by province to date	\$255,000
Interest paid on defaulted bonds	41,000
Accrued interest due on advances	9,000
Miscellaneous outstanding liabilities.....	35,000
Original bond issue	273,700
Total	\$613,700

The premier said that to complete the line to Larson would cost \$122,000, and to carry it to Rimbey would take another \$197,785, or a total of \$319,785. This amount, added to the foregoing total, gives a grand total of \$933,485, which will represent the provincial investment when the line is complete from Lacombe to Rimbey. Mr. Stewart said that it is practically necessary to complete the line in order to dispose of it on reasonable terms to some transportation organization, and, moreover, that the projected line runs through excellent territory. Also, the section of the line in operation, under most unfavorable financial conditions, last winter earned within \$600 of its operating expenses, exclusive of the bond interest charges.

In reciting the history of this line, Mr. Stewart pointed out that the bonds were guaranteed at the second session of the legislature of 1913 to the extent of \$7,000 per mile for 39.1 miles, the total issue being \$273,700 of five per cent. thirty-year bonds under the light railways assistance act. Some construction was proceeded with but the company found itself in financial difficulties and halted construction; also, it was unable to provide the third instalment of bond interest falling due in April, 1915, which was made good by the province. The company is still in default and the province has protected the bond interest continuously. The government finally secured control of the stock of the railway, now holding 4,105 shares of the par value of \$100 each, representing slightly more than eighty per cent. of a total issue of \$500,000. For this stock, the total amount paid by the province was \$1,841.35 or at the rate of 45 cents a share. Prior to this, however, the legislature had passed a further act increasing the guarantee sum to \$14,000 a mile on the understanding that the company was to raise sufficient money to proceed with the work. This was not accomplished and the second guarantee was never executed.

The company has twenty miles of track laid and in operation and a road bed graded to within a mile and a half of Rimbey with sufficient construction material on hand to lay three or four miles of track. The premier expressed the opinion that the government is getting full value for every dollar expended. The equipment of the company includes two steam locomotives, one gasoline car, and one passenger car.

The bill provides as follows:—The head office is changed from Lacombe to Edmonton. The directorate is reduced from twelve to six members. Section 1 enables the company to mortgage its property to \$25,000 a mile. The government proposes to raise the additional \$500,000 on its own credit and to loan to the company to complete the work. Time of completion of the railway is extended to December 31st, 1921. The word "electric" is struck out of the name of the com-

pany. The government receives authority to acquire and register ownership of further shares. The second guarantee of \$14,000 a mile is repealed. The prospect of selling the line to either the Canadian Northern Railway government lines or to the Canadian Pacific Railway is another reason why the government does not wish to have the company issue more bonds of its own.

BANK LINKS UP WITH GREAT BRITAIN

Royal Bank Makes Important Banking Connection—Important Deal Completed for Connection With Banking Institution in Great Britain

THE Royal Bank of Canada has just entered into a close reciprocal working arrangement with the London County, Westminster and Parrs Bank, Limited, which must have far-reaching results. The London County, Westminster and Parrs Bank, Limited, is one of the oldest, strongest and most important of the English banks. It has over seven hundred branches in England, also branches in Spain and Belgium, and controls an affiliated bank in France, namely, the London County and Westminster Bank, Paris, Limited, with numerous branches, and also the Ulster Bank, Ireland, all of whose shares it owns.

With a view of cementing the relationship between the two banks, the London County, Westminster and Parrs Bank, Limited, have offered to buy for investment ten thousand shares of the Royal Bank of Canada stock at two hundred dollars per share, and the shareholders of the Royal Bank of Canada are by circular unanimously and strongly recommended by the directors to facilitate the sale of the shares by renouncing their rights thereto, as it is obvious that this close working arrangement will extend and strengthen the connection of the Royal Bank of Canada and place them in a most favorable position with regard to European business.

It is anticipated that all shareholders will readily agree to waive their rights to the proposed new issue. In this connection it is interesting to note that the London County, Westminster and Parrs Bank are paying two hundred dollars per share for the shares they are purchasing, whereas the issue of shares authorized at the last annual meeting of stockholders of the Royal Bank of Canada was allotted to shareholders at the favorable price of one hundred and fifty dollars per share.

As a result of this arrangement the paid up capital of the Royal Bank will be increased from \$14,830,690 (as at February 28th, 1919) to \$15,830,690, placing it second in the list of Canadian banks in respect of paid-up capital; that of the Bank of Montreal is \$19,075,000, which will, however, shortly be \$20,000,000; the paid-up capital of the Bank of Commerce is \$15,000,000. The Royal Bank already ranked second in the amount of its assets, and in reserve.

OBITUARIES

MR. W. J. TURPIN, one of the older members of the Montreal Stock Exchange, died in Montreal last week.

MR. STEVEN JOHNSON PARKER, who, for forty-five years, was treasurer of Grey County, died at his home in Owen Sound on April 12th.

MR. JOHN PALMERSTON ROBERTSON, Provincial Librarian of Manitoba, and one of the best known men in Western Canada, died on April 11th, in Los Angeles, Cal.

EDMUND B. LASCHINGER, of Toronto, died on April 16th. He was a member of the firm of Cawthra Mulock and Co., stock brokers, an executor of the Cawthra Mulock estate, vice-president of the National Iron Works, of the Canada Bread Co., and of the Royal Alexandra Theatre, Toronto. He was born in New Hamburg, Ont., and for many years was secretary to Sir Wm. Mulock, and assistant deputy postmaster when the latter was Postmaster General of Canada.