

Profits of Monopolies

A Cotton Combine's Golden Career—Four Years Profit Equal to Its Capital—Coddled Into Existence and Maintained by the Dominion High Tax Policy.

BANNERS
BADGES
REGALIA For
ALL SOCIETIES
THE
DOMINION REGALIA CO.
76 YORK ST. TORONTO

tedly water. The company is authority also for the statement that dividends have been paid to shareholders during these four years and a half amounting to \$902,500. This comes to an average annual dividend upon the average number of water left out of 12 per cent. This was all they thought it prudent to distribute out of their enormous profits. But besides this there has been piling up to their credit at their bank a huge reserve fund, which one of the company's best men, the statement, amounted to \$1,075,167. The average profits each year have been \$450,000—reaching in one year 39 per cent upon the paid-up stock, and equivalent to an average annual dividend of 23 per cent. The company's assets are a half of the company's short but golden existence.

HOW MILLS WERE ACQUIRED. Those which were purchased if the transactions cannot be ascertained, at a small percentage of their value. In some instances there was scarcely any element of what is ordinarily understood as purchase in the handing over by the old companies of their properties to the new ones. In some cases the figures. The alternatives open to the head-pressed companies were either to take what was offered them, whether it happened to be 25 cents on the dollar or not, or to be utterly ruined by the powerful forces of the coterie of rich Montrealers who have organized themselves for the purpose of taking the

The paid-up stock of the new company when it started upon its work was \$1,500,000. How this was paid up is not known; neither how much was paid in cash, nor how much was issued upon mill properties put in by the chief promoters. Unfortunately only such information has been made public by the promoters as the working out of the plan has had to do with. As a part the acquired properties were paid for by bonds, but in all likelihood, taking into account the way such matters are dealt with, the promoters received paid-up stock in payment for the properties. If this is the case, in such cases, we may be sure, the valuation upon which the stock was issued were not, to say the least, unduly depressed. It is therefore not entirely certain that the first issue of paid-up stock was at some distance from representing cash or cash value put into the company. But not to seem to strain the facts against the combine, that first \$1,500,000 may be regarded a bonafide paid-up stock.

EMBARRASSMENT OF PROFITS.
At that figure the stock remained for the period of a year and eight months. Then the company decided, for reasons which will be explained, to pour some water into it. The following decision was made: On the 1st of September, 1892: It had been determined it was said, to distribute to the shareholders \$1,500,000 of stock, the distribution to be made in the proportion in which the stock was held, and each shareholder to become entitled to receive a fully paid up share of \$100 by paying therefor \$10. The

statement, which was given as confirmation of the company's position in the proceeding was candid to the point of ingenuousness. It was said that while the company had been paying only 10 and 10 per cent dividends its profits had been 20 and 30 per cent. The substance of the statement made public at that time. Quite lately we have been given in one of the company's prospectuses the following figures: The net income for the profits for the first year (ending 29th February, 1892) amounted to \$440,615, or 30 per cent upon the paid-up capital. In the second year the net income was \$559,290, or 39 per cent upon \$1,500,000 of stock, with which profits of \$559,290 were watered over by a natural outgrowth of the business. It is not clear that there have been wise from their point of view to appear to be paying too high dividends. Political considerations alone should have been sufficient to throw some of this infant industry upon those who cover over its distribution.

Of profits. What defense, for instance, could a Government make on behalf of the shareholders of the holding company of the monopoly, if this "strut-and-tie-in" combine were to pay dividends of from 29 to .39 per cent per annum? It was accordingly determined that double the amount of the holding company's profits should be paid out.

The \$1,500,000 of the stock was distributed, with the effect that within only \$150,000 of cash went into the company's treasury, the dividend-bearing capital was doubled. At this point the \$1,350,000 in round figures it had since remained.

Of this three millions it is impossible to remember, as the kernel of the whole matter, that the amount actually paid out to the shareholders was \$1,850,000—allowing that the original stock was not issued in exchange for mill properties put in upon inflated valuations. The company's bonded indebtedness was \$1,000,000, and the calculations, as the interest charge, which it has entailed is allowed for in the company's statement of profits for

RICHIER THAN KOOTENAY.	
The statement of profits is as follows:	
For the year ending Feb. 20, 1892	\$448
For the year ending Feb. 20, 1893	588
For the year ending Feb. 20, 1894	418
For the year ending Feb. 20, 1895	418
For the half-year ending Aug. 31, 1895	218
Total	\$1,982

By these figures the country is formed that for the four years and half which the combine has been operating, this section of (the Dominion) Cotton Mills Company has made a dividend by more than \$300,000 paid-up stock. If we include the should, that portion which is ad-

Outside of all this much remains to be said with reference to the work of the cotton duties, as well as with reference to the cotton tariff reduction which the combine has assumed toward the whole body of Canadian exporters, and against which some of the most prominent wholesalers in Toronto are in revolt. Meanwhile, without going into these matters, it is perhaps worth while to mention one other particular. The question may be asked whether the Government did not stir at the combine by reducing the cotton duties at the time of the tariff revision. The only answer which need be returned is that the reduction was the pretended reduction the amount duty collected upon the imports of cottons was equivalent to an average rate of slightly under 28 per cent, whereas for the year 1934 the average rate calculated in the same way was slightly

Some Remarkable Rocks in West Ontario.

Similar to That From Which Paraffin
Is Manufactured in Scotland.

The Laurentian Ridge, running from the St. Lawrence River in a northwesterly direction, is the main geological feature of the region.

terly direction from the Arctic; Quebec is regarded as the oldest land in the world. From it in every direction, rivers into the Paleolithic ocean, carrying the debris into this most ancient of the continents. From it in more later times, in every direction sprang out those glacial streams by which many changes in the topography of Canada were effected. In successive the Silurian strata north of Lake Huron and the Devonian westward Lake Huron were deposited upon the ancient crystalline rocks from the bed of the western sea. Rocks of many kinds, "sandstones," "limestones" and "slates," among the others were formed, and in the eastern

of Ontario were frequently disturbed by the intrusion of igneous rocks in the earth's molten interior. After the lapse of countless ages the shore of western sea had retreated to the west of what is now Lake Huron and the Clair River. Great marshes separated by narrow banks of sand lay along the margin of the ocean. Over the strip at every high tide the ocean broke. The marshes became salt water, and the high tide drew in thousands of the Huron shore were deposited. In other places shale were formed. The one best known exposed at Kettle Point, on Lake Huron, is a fossiliferous shale. It was exposed at Kettle Point, on Lake Huron, just missed for the coal

possessor of coal measures. As it is, shale is a most valuable rock. Formed chiefly from silica and alumina, it is used for fire brick, and from it is the material from which slate is made. Often it contains pyrites, which, when oxidized, is produced. Engaged 2,000,000 alum a year are obtained from shale rocks. But probably the valuable product obtained from shale is petroleum. From the crude oil are obtained from it the rock. The paraffine, it is claimed, can be obtained in a purer state than from any other source.

The shales of Kettle Point are mainly carbonaceous, as they readily with a bright flame. From an exposure of the surface we are able to think that the shale is a fire for a considerable period of Deep beds of ashes cover a area. The Indians, who have used it for many years, have a phenomenon, say that it was so that these rocks should take fire burn for 100 years, or until a new fire is kindled.

When the shale had burned for

lotted person the white man came, in the period of the early French explorers, and then the fire went out of its own accord. The Scottish paraffin works are of great importance. In a year, 800,000 tons of shale were consumed, and over a million gallons of kerosene, 1,000,000 gallons of paraffine, and much illuminating oil and benzine were produced. The process of manufacturing is as follows:

The shale rock, easily broken up, is reduced to pieces about the size of road metal, and filled into horizontal retorts. These are heated to a low red heat. The oil distills over and coke remains in the retort. The oil is refined by treatment with sulphuric acid and neutralized by caustic soda. Then by heating and what is known as fractional distillation, first the benzine, gasoline and similar light oils are obtained. So long as any light oil remains no rise of temperature can take place in the retort. When all the oil of any given specific gravity has been obtained, the temperature of the whole rises, and the next hydro-carbon of the series will be obtained. Each kind of oil is specially treated and re-

The crude paraffine is purified by repeatedly mixing with light oils, and then heating and pressing to separate the lighter portions of the paraffine. It is afterwards melted and the light oil driven off by blowing steam through it. It is next mixed with pulverized charcoal, and when that has subsided, the paraffine is run into moulds, a beautiful, translucent, wax-like mass. Paraffine, besides being used for making candles, is also used in the manufacture of matches and for modeling fruit, flowers, etc.

There are traces of alum present in the Lambton shales, but in what proportion can be determined only by analysis.

chemical analysis. Occasionally shale beds contain carbonaceous or bituminous material. These are in the form of small, spherical bodies formed by the rolling of the material in the mud. The hand that built the firmament fashioned these globes in a manner known only to him. Some of the Kettle Creek shales are of unusual size, and it is from this size that the name of the kettle-like appearance that the point receives its popular name. It is named Cape Ipperwash on many maps. The Kettle Creek shale is well known for coal seams. Periodically we hear that coal has been discovered somewhere in what is undoubtedly a Huronian or Devonian strata, in which case the Kettle Creek shale is not to be shale. Attempts made to develop these beds as coal mines must result in failure. The Kettle Creek shale is bituminous shales or as sources from which alum, fire clay or other valuable commercial products may be obtained would be quite prefeasible. The Kettle Creek shale is a fine grained, light colored shale that the wells at Petrolia draw their oil. Under conditions of great pressure the oil would be naturally distilled. The extent of these Kettle Creek shales is considerable. In places 125 feet deep did not reach the bottom of the strata. If the young men of Canada who are enterprising were to form companies and go to the Kettle Creek shale to develop it, instead of going to South Africa to work Kaffir gold mines, they would probably find it pay better in the end. Canada has a great wealth in its export of minerals. It is second to no country on the planet. There are other sources of wealth as little appreciated as the shales of Kettle Point.

STICKS OF THE BRITISH COURT

**Odd Officials Who Have Little To Do
But Draw Big Pay.**
Among the many queer offices of

English court and crown are what
 known as Gold and Silver Sticks and
 the Black Rod. They are so called
 account of their wands of office.

Gold Stick and Silver Stick are variably military officers of a high rank. Field Marshal Lord Wolseley held the former office until appointed

to succeed the Duke of Cambridge as commander-in-chief of the British army. The Earl of Erroll, as colonel commanding the Royal Horse Guards, is Sir John's first cousin, but, however, is not necessarily a military man, although the last two holders of the office have been a general and an admiral respectively. Yet it is by no means the most innocent of the two, and a dark shadow hangs over his duties.

Indeed the perquisites attached to the post are so extensive that there invariably is a fight between the monarch and the Cabinet of the day with regard to the disposal of this vast treasure. The management of this estate once more been revived by the death of old Admiral Sir James Drummond, and matters have been complicated by the clamor of the Radical press.

position, the Government has decided to abolish the office at any rate, cutting down of its salary and abolition of its perquisites. The salary amounts to \$15,000 a year, two-thirds coming from the revenues of Pakistan and one-third from the Queen's civil list. The perquisites include a furnished residence of some twenty or thirty magnificent rooms in the Palace of Westminster, high salaries for the staff drawn from the ranks of the Government, and also an apartment at Windsor Castle. The black rod itself is an elaborate three feet long, tipped with silver gilt, the royal arms at the top, and a black cap of velvet and in the middle a gilded rod. A tap with a rod constitutes the legal arrest of a

delinquents, and for every such act Black Rod is entitled to \$250. Elizabeth Rod has been dignified with a sum of gold collar and badge. When the House of Commons is ordered to adjourn, to attend the sovereign or commissioners in the House of Lords, it can only be summoned by the Rod, who is "Chief Usener of the Rod," and he is dressed in a suit of red, blue and gold, with a sword, a helmet, and a blood and coat armor." His appointment entitles him to knighthood. There are only two other dignified offices in the House of Commons: the office of the Lord Chamberlain and the office of the Lord Steward of the Household. Each carries at all times a function: a long white wand, which is used to open the doors and to cross the coffin in the most superb portion of the burial service.

A queer custom is observed on the Duke of Buccleuch's Warwickshire estate. The Duke has a large number of tenants rather together before the rise to pay the wroth silver due by grace. The penalty for a tenant not appearing is to prepare a pig and a bull with a red nose. The

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