

of new branches out of its reserved profits. When the subsidy expires no reason will be left why the dividends should not be increased. There is no complaint to be made with regard to the past, for at the time the subsidy was granted it was not clear that the service would prove to be the success it has been. But with the expiration of the subsidy certainly no debt of any kind to the company will rest upon the colonies, who will be free to contract on better terms. If the Eastern Extension Company were quite wise, it would stop opposition by a substantial reduction in its charges. In replying to the deputation on 30th June, Mr. Chamberlain did not hesitate to express his opinion that the complaints as to the present high rates were justifiable. The companies, he said, concealed their profits, placing enormous sums to the reserve funds that could otherwise be applied to the reduction of the rates. But even Mr. Chamberlain was not alive to the fact that the company has capitalized the Australian subsidy.

That the Eastern Extension Company is quite alive to the possibilities of the future is evident from the fact that after the rejection of its offer to lay a cable to Australia, via Honolulu, if 2 1-2 per cent. upon the capital stock were guaranteed, it has sprung a new proposal, viz., that it "will entirely waive renewal of the subsidy and the guarantee against competition, and, in addition to providing a cable from the Cape all the way to Glenelg, via Perth, will agree to at once reduce the tariff to 4s. per word, and make further reductions on sliding scale as traffic increases." A reasonable condition is attached, viz., that the company should enjoy the same privilege in the colonies as in Great Britain of directly delivering and collecting their international telegrams to and from the public. This proposal, or rather announcement of an independent policy, is not altogether satisfactory, inasmuch as the substantial reduction demanded by the mercantile needs of the colonies is not conceded. And although the company will waive a guarantee against competition, yet it may be concluded that should the "All-British" Pacific scheme be finally resolved upon, the company would probably abandon its Cape project. The only true settlement is either so great a reduction of rates by the Eastern Extension Company as will forbid opposition, or the opposition to the Eastern Extension Company of a well-organized and determined Anglo-American-Australian service.

CANADA CYCLE AND MOTOR COMPANY.

The advantages to be derived from an amalgamation of interests in the financial and mercantile world have frequently been dealt with in the columns of THE CHRONICLE, but we have seldom seen these advantages more clearly set forth than in the prospectus of the Canada Cycle and Motor Company, a condensed copy of which will be found on the last page of our present issue.

From the fusion of five companies whose presi-

dents and managers figure on the directorate of the new corporation, the following advantages will accrue:

Firstly—Reduction in selling and distribution expenses and advertising.

Secondly—The economies and improvements in production arising from the practical knowledge of the members forming the Board of Directors which will be available for each branch of the business.

Thirdly—The economies due to consolidation of management, manufactories, office work, and of buying, distributing, and financial arrangements.

The great importance and magnitude of the bicycle industry in the Dominion fully warrants us in predicting success for the Canadian Cycle and Motor Company. With a strong directorate and ample capital, the prospectus is a most attractive one.

It is intended that an important part of the Company's undertaking will be the manufacture and sale of motors and motor vehicles. This branch of business is a natural outgrowth of the bicycle industry and is believed to offer a profitable investment for the capital, and the large and successful experience in manufacturing which this Company will command.

EDSON L. PEASE.

A SKETCH.

A friend and former fellow-worker says of the rumoured resignation of the General Manager of the Bank of Halifax:—

The selection of a Canadian, Mr. Edson L. Pease, for the highest appointment in the gift of those who are establishing the American International Bank does not come as a surprise to those who know the general manager of the Merchants Bank of Halifax. Always alert, watchful and vigilant, with a self-contained manner and pleasing appearance, Mr. Pease entered upon his banking career unusually well equipped to struggle for place and preferment. For his early training he is indebted to the Canadian Bank of Commerce.

About eighteen years ago, he joined the service of the Merchants Bank of Halifax as accountant at its head office, and the surprising extension and success of the institution he is now said to be leaving is due in wonderful measure to the talents and restless energy of the subject of this sketch. Cautious bankers of ordinary abilities, in a regular plodding routine of business, acting with more regularity and greater certainty, have been known to disapprove of the boldness of this very modern banker, and to regard him as too adventurous. But those who know Mr. Pease best, although willing to admit that the audacity of his genius is calculated to excite wonder, can testify to the skill with which he has conducted the business acquired by his boldness of movement. This alert and watchful financier is a solid thinking man, and his selection for a very prominent position in the banking world of London is easily understood by those who are aware that the rapid growth and marked success of the Merchants Bank of Halifax is almost entirely owing to the busy brain, foresight and activity of Mr. Edson L. Pease.