

BANK OF MONTREAL

Established 1817

Capital Paid up, \$16,000,000 Reserve Fund, \$16,000,000
Undivided Profits, \$1,293,952
Total Assets, \$302,980,554

BOARD OF DIRECTORS:

H. V. Meredith, Esq., President

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Head Office: MONTREAL

Sir Frederick Williams-Taylor, LL.D., General Manager
A. D. Braithwaite, Assistant General Manager

Branches and Agencies { Throughout Canada and Newfoundland:
Also at London, England:
And New York, Chicago and Spokane in the United States.

A GENERAL BANKING BUSINESS TRANSACTED

D. R. CLARKE,
Acting Superintendent of
British Columbia Branches
Vancouver

W. H. HOGG,
Manager
Vancouver Branch

The Bank of British North America

Established in 1836

Incorporated by Royal Charter in 1840

Paid-up Capital \$4,866,666.66
Reserve Fund \$3,017,333.33

Head Office in Canada, Montreal

H. B. MACKENZIE, General Manager

Branches in British Columbia

Agassiz	Kerrisdale	Prince Rupert
Ashcroft	Lillooet	Quesnel
Duncan	North Vancouver	Rossland
Esquimalt	150-Mile House	Trail
Hedley	Prince George	Vancouver
Kaslo		Victoria

YUKON TERRITORY

DAWSON

Savings Department at all Branches.

Special facilities available to customers importing goods under Bank Credits.

Collections made at lowest rates

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued; negotiable anywhere.

Vancouver Branch

WILLIAM GODFREY, Manager
E. STONHAM, Assistant Manager

railway or the Government. Someone will have to pay for this loss. If, however, in the opinion of the Government, the investigation should prove wasteful and extravagant work on the part of the contractor, the Government could then take the same action as was open to it if the work had been suspended—with this advantage, however, that the unnecessary loss involved in the suspension of work would be saved.

But the crux of the matter lies in a different direction. Mr. Patrick Welch is the general contractor for the railway. He is on the covenant with the Government along with the other members of Foley, Welch & Stewart, and on completion of the railway will be one of the owners of it with the other members of Foley, Welch & Stewart. An examination of the detailed statement of expenditures presented on another page shows that to December 31, 1915, the contractor, or Foley, Welch & Stewart, spent nearly nine million dollars more than received from the proceeds of bond sales. Thus it is evident that the railway cannot be constructed for the amount of the guarantee, namely \$42,000 per mile. The balance must be made up out of the pockets of Foley, Welch & Stewart. Is it not therefore plain that so-called profits for construction is a misnomer? P. Welch, as a contractor, makes a profit on construction by sub-contracting for less than the amount of the whole contract. P. Welch, as an owner, in reality makes a saving by that much so-called profit to himself and his firm and by saving that much reduces his liabilities and that of his co-partners on his covenant with the Government, and reduces his liabilities as an owner by that much less weight of securities or loans upon the railway company and upon which he must pay interest.

The direct interest, therefore, of Mr. P. Welch, as well as the interest of the Province, is to keep the cost of construction as low as possible. By consulting the table of expenditures it will be noted that there is an item of Sub-contractors' Losses amounting to \$1,085,969. It would thus appear that either some of the sub-contractors did not know the extent of the work they tendered on or that P. Welch drove too hard a bargain. At any rate, he had to come to their assistance or take over the finishing of these various sub-contracts. A good part of the cost of finishing this work is represented in the above item.

If, as is shown, it is to the direct interest of Foley, Welch & Stewart to save as much as possible, it still may be charged that they are inefficient and therefore extravagant. The history of this firm for a quarter of a century does not bear out this contention. Most of the money they have made has been made in railway construction and these men have built more mileage in the Dominion than any other contractors. They have been identified with the heavy construction of the Grand Trunk Pacific, the Canadian Northern and the Canadian Pacific railways, and on none of these contracts, or other great public works which they have built, has it been stated that they lost considerable sums of money. They certainly have the widest experience, the greatest knowledge of this class of construction, a strong organization and tremendous equipment for economically handling of such an undertaking. Added to this they are very responsible men. They have carried through every work they have ever undertaken and they have been associated with some of the greatest public works in the Dominion. The very large Canadian Pacific work, the Rogers Pass Tunnel, was given to this firm on the basis of cost and percentage. While ability and efficiency might not be the only consideration in giving this huge work to this firm, it seems reasonable to suppose that they were the chief. Extravagance in construction can never be charged against Foley, Welch & Stewart.

In weighing the situation of the Pacific Great Eastern Railway, due regard must be given to the gravity of the conditions brought about by the war. New public works undertakings have found it practically impossible to surmount these conditions. The war has had an almost paralyzing effect upon the operations of this company. It had

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