

merchandise from London to Canadian points, and Boston. The White Star, Dominion and Leyland Lines are the property of the International Mercantile Marine Company, of New York.

The statement of opinion that an understanding exists between the Canadian North Atlantic Westbound Freight Conference and lines of steamers from Great Britain and the continent to New York, Portland and Boston, and that freights are thereby regulated by combination has never been challenged, and now appears to be a matter of such common knowledge that the statement may be taken not as a matter of belief but as one of fact.

Speaking at the Royal Colonial Institute on the subject of shipping rings recently, Mr. Ben. H. Morgan truly stated that Great Britain's shipping development and that of its colonies and dependencies is being daily hampered by a policy that the State should do nothing to encourage. "There is the case of the West Indies," he reminded us, "where the home government's refusal to renew the mail contract threatens ruin to trade with Great Britain; here it would appear the inaction of the Motherland is about to be remedied by Canadian enterprise. That Dominion, it is understood, is ready to step into the breach, but what a reflection does not this convey on Downing Street? While on this subject let me bear a tribute to the sagacious and broad-minded shipping policy of Canada, which, from limited resources as compared with those of the Motherland, has subsidized, and is subsidizing even more liberally, services from both her Atlantic and Pacific seaboards to Australasia. Very wisely she is taking steps to build up a great trade with the Australian members of the British family. Her excellent agricultural machinery, the competition of which, by the way, the home manufacturer has already begun to feel, has for some years been making a market in Australasia. With New Zealand, Canada has established the most satisfactory trade relations, sending thither reapers and binders, and taking frozen mutton, hemp, and other raw materials for which there is a considerable demand in Canada. Who shall estimate the commercial advantages reaped by the Dominion of Canada on the outlay represented by these shipping subsidies? In other parts of the Empire the same persistent "let-things-slide" policy of the home Government is producing disastrous effects. For instance, the well-organized and well-subsidized German services to the West Coast of Africa and other Crown colonies have resulted in this, that to purchase rubber and other tropical products British merchants are often obliged to go to Hamburg instead of London."

Altogether, the subject of shipping combines should prove a fruitful topic at the Imperial Conference. Canada is vitally interested both in the Atlantic and Pacific oceans.

CANADIAN PACIFIC.

The poor showing of the Canadian Pacific net earnings in January came as a surprise to shareholders, although the heavy snowstorms in the West should have been reckoned by them. The February earnings made a better exhibit, and an analysis of certain figures indicates that Canadian Pacific will probably eclipse all gross revenue records again this year. Upon the past year's results it is estimated that gross revenue for the current operating year will amount approximately to \$100,300,000, or about \$5,500,000 more than last year's. Gross for the last three years was as follows: 1910, \$94,989,490; 1909, \$76,313,321, and 1908, \$71,384,173.

Expenses will probably be nearer the 1909 proportion of gross than that of 1910, reaching about 68 per cent., and will leave a net revenue of \$32,096,000. Other in-

come, not including proceeds from land sales, will likely increase this latter amount by about \$3,350,000, making a total income of \$35,446,000. Fixed charges will require an estimated \$11,500,000, leaving a balance available for dividends of about \$23,946,000 compared with \$27,258,728 for 1910, and \$14,955,028 for 1909.

Dividends of 4 per cent. on the outstanding \$55,616,666 preferred stock will amount to \$2,214,934, leaving a balance of \$21,731,066, which is equivalent to 12.17 per cent. on the outstanding common stock of \$180,000,000. That stock was placed upon a 10 per cent. dividend basis in January of this year by the declaration of a quarterly dividend of $1\frac{3}{4}$ per cent. from earnings and $\frac{3}{4}$ of 1 per cent. from land sales. As the above balance of \$21,731,066 is from earnings, apart from land sale proceeds, the dividend of 7 per cent. out of earnings only is properly deductible. This amounts to \$12,600,000, and leaves a surplus of \$9,131,066. The full dividend of 10 per cent. deducted from the amount available would leave a balance of \$3,731,066.

SMALL CHANGE.

The municipalities of Canada are borrowing money at a rapid rate. Sometimes they have inflated ideas of their credit at home and abroad. The best possible way to create good credit and to maintain it is to set one's house in order by instituting a businesslike system of bookkeeping and auditing, keeping a stern eye upon any tendency towards extravagance.

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Strenuous efforts made in certain quarters to arouse the interest of the small investor in Porcupine gold stocks have met with deserved and dismal failure. This is, perhaps, because Cobalt wounds have not yet healed, and because of the partial recognition of the fact that Porcupine is a camp for strong mining companies with the necessary technical knowledge to work low-grade ore at a profit.

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After all, we are to have those millions of Dutch capital in Canada. Two mortgage companies have been financed in the Netherlands and will operate in the Dominion. Meantime, Mr. W. T. R. Preston, Canadian Trade Commissioner at Amsterdam, is probably thinking of himself as the modern Dutch boy, who stuck his hand over the hole in the investment dyke to prevent the flooding of the land with misinformation.

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What a pathetic picture was drawn by Mr. Smithers, chairman of the Grand Trunk, at the semi-annual meeting! "The railway," he said, "has no land grant and is a poor company, doing an immense work with limited means." This is almost as good as his answer to a shareholder's comparisons, at the previous half-yearly meeting, between the Grand Trunk and the Canadian Pacific. "The Canadian Pacific," he said, "is a multi-millionaire, while the Grand Trunk is poor but honest."

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Everything done with a view to minimizing the fire risk and reducing the fire waste should have support. During the past two years the fire losses in Canada have totalled \$42,000,000, and more than 250 lives have been lost in fires. Mr. John B. Laidlaw, the progressive manager of the Norwich Union Fire Insurance Society, this week gave the Toronto civic rulers some facts upon which they may well ponder. As the result, a committee is to study the conflagration hazard in the Queen City in order that it may be improved considerably.