

There is nothing like a "Tea Pot" test at your own table to prove its sterling worth!

"SALADA"

TEA "Always and Easily the Best"
BLACK, GREEN, or MIXED. Sealed Airtight Packages Only

MAKING SAFE INVESTMENTS

THE PERSONNEL OF DIRECTORS AND MANAGEMENT A MOST IMPORTANT CONSIDERATION.

Net Earnings Must be Examined Over a Period of Years to Determine Whether Company is Going Ahead or Not—Should be About Double the Bond Interest.

The articles contributed by "Investor" are for the sole purpose of guiding prospective investors, and, if possible of saving them from losing money through placing it in "wild-cat" enterprises. The impartial and reliable character of the information may be relied upon. The writer of these articles and the publisher of this paper have no interests to serve in connection with this matter other than those of the reader.

(By "Investor.")

The last few articles have dealt with the matter of safety of industrial bonds from what, for lack of a better term, we may call the physical side—features that can be learned from—or at least should be shown in—the balance sheet. There are two scarcely less important features, however, that must be looked into to complete the determination, not so much, perhaps, of the immediate safety of the bonds as the certainty of the interest, and the outlook for the future.

The first, is the question of "net earnings." On the proportion of net earnings to outstanding obligations depends to no small extent the strength of an industrial company. The figures of a number of years should be examined. Most advertisements of industrial bond offerings contain some such statement as this:—"The net earnings during the past five years average \$—, which is over four times the bond interest." This statement is interesting, but the careful investor should enquire further. It would be much more valuable if the information were more complete. The net earnings for a number of years tells a very much more interesting—and instructive—story than the average for the same period. Take, for example, the earnings of the Wm. A. Rogers, Limited, which, by the way, has issued no bonds but is used merely for illustration.—

Profits 1906 were	\$191,552
" 1907 "	195,650
" 1908 "	182,725
" 1909 "	301,466
" 1910 "	329,516

The average over this period is \$240,181, which gives a very inadequate idea of the remarkable growth of the earnings. Note the small drop during 1908, the year in which the panic in the States caused a short falling off in the earnings of most Canadian industrials. All this information is most valuable, as it signifies a steady demand and a growing business, which indicates that fixed charges of a company similarly situated would be regularly met.

The proposition between fixed charges and net earnings should be carefully noted. Net earnings should equal about twice the bond interest, taxes and sinking fund, for a bond to receive favorable consideration as a safe investment, except under unusual circumstances, where the nature of the earnings are unusually steady, or the security unusually substantial. The nature of the product is important. A company producing an article of fluctuating or uncertain demand should not issue bonds. Opportunities for successful competition or substitution must be considered, and, if possible, bonds should be avoided. A third point is management and con-

trol. Few questions are of greater importance in investigating the strength of an industrial company than the reputation and experience of the men in charge. As an American writing on this subject, puts it: "The ability and integrity of the men who control the policy of the company and the efficiency of the operating officials are the principal factors in the success of an industrial undertaking." Unquestionably, in the long run and in probably a majority of cases this is equally true in Canada, particularly in the case of small companies. Men with good reputation do not risk them lightly in acting as directors of hopeless industrial enterprises. When one sees the names on the list of officers of new companies the first thing the experienced investor or financial man does is to see—if the names are not familiar—on what other boards they act. If their previous affiliations have been successful there is much more reason to suppose the new venture will be so likewise. And management is almost as important. For example, the bonds of the Canada Bread Company would probably have had a cool reception from the public had not Mark Brodin, well-known as a successful manager of this sort of business in a large way, been announced as managing-director of the enterprise.

So much for the question of safety of industrial bonds. The reader may wonder what degree of safety attends to this class of investment. If it were possible to make a general statement, as in the case of municipals, this prolonged discussion would have been unnecessary. Industrial bonds vary in safety from a very high degree down. No general conclusions can be depended upon, and the investor is forced to consider each issue upon its own merits, but with the aid of the suggestions here given and his own common sense he need not approach the matter with misgiving.

Shiloh's Cure

QUICKLY STOPS COUGHS, CURES COLDS, HEALS THE THROAT AND LUNGS. 25 CENTS

EXPLAINING HORSE-POWER.

In connection with steamship propulsion the average man is apt to speak very glibly of so many hundred or thousand horse-power. But it is extremely doubtful if one person in a hundred really has a due appreciation of what the phrase actually means. On this point some very interesting remarks were made by John Hock, the Glasgow engineer surveyor. He said that, calculating the strength of twelve men to be equal to one horse-power, it would require 840,000 men to produce as much energy as the 70,000 horse-power developed by the turbine machinery of the express Cunarder Lusitania. Then if the men were to work on the eight hour day system those figures would give a total of 2,520,000, that being the number of men whose strength would be necessary to drive the vessel across the Atlantic Ocean. So it would take all the men in Scotland to supply the energy produced all the day round by the wonderful turbine machinery of the great ship.

To Chill Dough.—To prevent cookies and doughnuts from sticking while handling, after breakfast mix your dough as you would like it and set in the ice box or in a pan of snow while you are doing your morning's work. By this time the dough should be chilled thoroughly and will be easy to handle. Take only small quantities at a time.

THEIR VERDICT.

"Fetch in the body," ordered the foreman of a Texas coroner's jury. The body was laid before them. The jury made a careful examination and questioned the attending surgeon.

"Where was he shot?"
"Square through the heart."
"Dead in the centre o' the heart?"
"Right in the centre."
"Who shot him?"
"Jake Daniels."

A dozen witnesses declared that Jake fired the shot, and Jake himself admitted it. The jury consulted softly for some time.

"Well, gentlemen of the jury," said the coroner, "what's your verdict?"

"Waal, jedge," answered the foreman, "we've come to the conclusion that Jake Daniels is the dandiest shot in these parts—and don't you forget it."

THE UNION BANK A RECORD YEAR.

Head Office to be Moved to Winnipeg.

The Union Bank of Canada held its 47th annual meeting at the Head Office in Quebec on Monday, December 18th, 1911. The meeting was a memorable one for several reasons. In the first place, the reports presented by the President and General Manager were the best in the bank's history and revealed the fact that several progressive steps had been taken during the year. At the meeting it was also decided to remove the Head Office from Quebec to Winnipeg. This was deemed a wise move, owing to the fact that out of its total of 242 branches the bank has 156 west of Lake Superior and 76 in Ontario, leaving only a comparatively few in the Provinces of Quebec and the Eastern Provinces. This decision on the part of the directors and shareholders to move the Head Office to Winnipeg is a recognition of the growing importance of the West.

The net profits for the year, after deducting expenses of management and making provision for all bad and doubtful debts, amounted to \$662,437 as compared with \$451,620 for the previous year. The earnings for 1911 were at the rate of 14 per cent. on the bank's average paid-up capital for the year. The premium on new stock issued amounted to \$457,000, while the balance at credit of account on November 30th amounted to \$80,000. These sums with the net earnings for the year made a total of \$1,199,000 available for distribution. Of this large sum dividends absorbed \$361,000, the sum of \$200,000 was transferred to the rest account, as well as \$457,000 transferred to the same account from premium on new stock, making a total transferred to the rest account of \$657,000. The sum of \$100,000 was written off bank premiums account and the officers' pension fund received \$10,000, leaving a balance carried forward of \$71,957.

A further examination of the report shows that the bank is making rapid progress in every department. The amount of notes in circulation increased during the year by \$1,300,000, the total deposits by over \$7,600,000, which now stands at \$45,232,000. The paid up capital increased by \$914,000 and the rest account by nearly \$600,000. The total assets of the bank now stand at \$58,434,000 as compared with \$46,555,000 for the previous year. The increase in the bank's capital, deposits and assets puts it in a position to do a larger business during the coming year. These increases also show a gain in the confidence of the public.

During the year the Union Bank absorbed the United Empire Bank of Toronto, which had twelve branches in Ontario and a paid up capital of \$559,000. Later in the year it established a branch in London, England, being one of the four Canadian banks having branches in Great Britain. Altogether the bank has been showing marked progress and enters upon the new year equipped to do even better work.

A BIRD'S NEST OF STEEL.

In the Museum of Natural History at Soleure, in Switzerland, there is said to be a bird's nest made entirely of steel. There are a number of clock-making shops at Soleure, and in the yards of these shops there are often found lying disused or broken springs of clocks. One day a clockmaker noticed in a tree in his yard a bird's nest of peculiar appearance. Examining it, he found that a pair of wag-tails had built a nest entirely of clock springs. It was more than four inches across, and perfectly comfortable for the birds.

Never give up hope. Even a married man has a fighting chance.

AUTHOR FOUGHT AMAZONS.

Frederic Martyn Tells of Adventures With French Foreign Legion.

"I have held a commission in the British army and I have served in the ranks; I have been a traveller in strange places; I have lived a life full of vicissitude of sorts and I was for five strenuous and not unhappy years in the French Foreign Legion."

With this paragraph Frederic Martyn opens an account of his experiences as a member of the French Foreign Legion. He writes of campaigns in French Indo-China and against the Dahomeys, and in both cases the fighting was often desperate.

Mr. Martyn joined, like many others, because of some sort of scrape at home. So probably did his first and firmest friend in the Legion, "Ivan Petrovski." That was what the young Russian called himself, although he may have been a nobleman for all the author ever could learn; a likable character, absurdly generous, hot tempered, dictatorial, and above all audacious.

Perhaps the campaign against the Dahomeys is the most interesting. There, at all events, it was that the Amazons figured.

"The uniform of these female warriors," says the author, "was a sort of kilted divided skirt of blue cotton stuff. This garment barely reached to the knees. It was supported at the waist by a leather belt which carried the cartridge pouches. The upper part of their bodies was quite nude, but the head was covered with a coquetish red fez or taboosh, into which was struck an eagle's feather."

In one place he says of Senegalese tirailleurs.

"A battalion of Amazons attacked them and gave them a very rough time indeed, but the tirailleurs stood their ground until reinforced by some marine infantry. Any one inclined to sympathize with the Amazons on account of their sex and look upon the combat between them and our men as unequal may take it from me that their sympathy would be misplaced.

"These young women were far and away the best men in the Dahomeyan army, and woman to man were quite a match for any of us. They were armed with Spencer repeating carbines and made much better use of them than the men made of their rifles; and for work at close quarters they had a small, heavy backed chopping sword or knife, very much like a South American machete, with which they did great execution. They fought like unchained demons, and if driven into a corner did not disdain the use of their teeth and nails."

It was in this same campaign that the following incident occurred:

A Dahomeyan warrior was killed while in the act of levelling his gun from behind a cotton tree at Capt. Battreau of the Legion at point blank range, and as he fell his rifle clattered down at the officer's feet. Capt. Battreau, seeing that it was an old Chassepot, picked it up out of curiosity, and suddenly became very much interested in it. He examined it very carefully, and then exclaimed with a gasp of astonishment:

"Well, this is something like a miracle! Here is the very rifle I used in 1870 during the war with Germany! See that hole in the butt? That was made by a Prussian bullet at Saint-Privat. I could tell that gun from among a million by that mark alone; but

Thousands Now Use This Low-Cost Cough Syrup

A Family Supply for 50c, Saving You \$2—The Quickest, Best Thing You Ever Used, or Money Refunded.

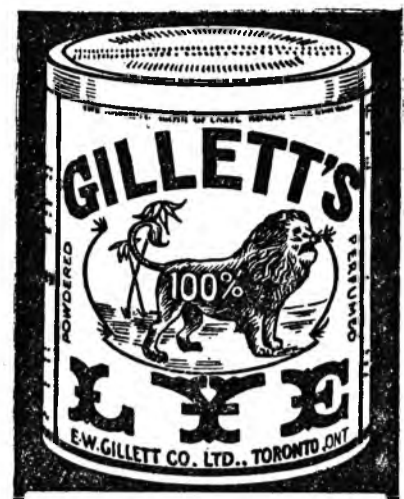
The prompt and positive results given by this inexpensive cough medicine have caused it to be used in more homes in the U. S. and Canada than any other cough remedy. It gives instant relief, and will usually wipe out the most obstinate, deep-seated cough inside of 24 hours. It quickly succeeds, even in whooping cough and croup.

A 50-cent bottle of Pinex, when mixed with home-made sugar syrup, makes 16 ounces—a family supply—of the most pleasant and effective cough remedy that money could buy, at a saving of \$2. Easily prepared in five minutes—full directions in package.

Children take Pinex Cough Syrup willingly, because it tastes good. It stimulates the appetite, and is slightly laxative—both excellent features. Splendid for hoarseness, throat tickle, bronchitis, etc., and a prompt, successful remedy for incipient lung trouble.

Pinex is a special and highly concentrated compound of imported Norway White Pine extract and is rich in guaiacol and other natural healing pine elements. Simply mix it with sugar syrup or strained honey, in a 16-oz. bottle, and it is ready for use.

Pinex has often been imitated, but never successfully, for nothing else will produce the same results. The genuine is guaranteed to give absolute satisfaction or money refunded. Certificate of guarantee is wrapped in each package. Your druggist has Pinex or will gladly get it for you. If not, send to The Pinex Co., Toronto, Ont.



THE STANDARD ARTICLE - SOLD EVERYWHERE

For making soap, softening water, removing paint, disinfecting sinks, closets, drains, and for many other purposes

E.W. GILLETT COMPANY LIMITED TORONTO, ONT.

here's my number stamped on it as well, which is evidence enough for anybody. Who would have thought it possible that I could pick up in Africa, as a Captain, a rifle that I used in France, as a sergeant, twenty-two years ago? It is incredible!

Aside from the interest of the narrative, the book is valuable as conveying a notion of the personnel and power of the Foreign Legion. To the explanation of these things, Mr. Martyn gives a good many pages, and makes comparisons between the Legion and the various divisions of the British army, with which he was intimate. His final estimate of the Legion's value he sums up in these words:

"Frankly, I think it is the finest fighting force the world has ever seen. Its value to France is not, however, to be measured by its value as a fighting force. The prestige of the Legion is so great with the ordinary French soldier that it occupies much the same position in the French army of today as the famous Old Guard occupied in the army of Napoleon. and the presence of a battalion of the Legion among a force of ordinary French troops will convince every soldier in that force that he is on the winning side."

THE MANSION HOUSE.

The Mansion House, which will be the future residence of the new Lord Mayor, was built by the elder Darcy between 1739 and 1753, says the Westminster Gazette. This prolonged delay was caused by the discovery of numerous springs of water in digging the foundations, which had to be based upon piles. Originally the facade had a heavy attic story commonly called "The Mare's (Mayor's) Nest." The famous Egyptian Hall, which is the principal room, was so styled because intended by the architect to reproduce exactly the Egyptian Hall described by Vitruvius. The cost of the Mansion House, £71,000, is alleged to have been partly defrayed from fines inflicted upon Nonconformist members of the Corporation for not receiving the sacrament according to the rites of the Established Church, as required by the Corporation Act of Charles II.

CLEVER NORWEGIAN WOMEN.

In Norway women have the franchise and may themselves be elected members of parliament. Even the police force is recruited from women as well as from men. She can use a ski as skilfully and as boldly as any man. She can swim like an elder-duck and can manipulate a sailboat like a pilot. Her intelligence is great, and, while she is so accomplished an athlete that we might expect to find her an Amazon, she is, on the contrary, daintily feminine, and she can fluently express herself in several languages. Her features may not be regular, but she is the embodiment of health, and she knows how to dress so as to make her physique look attractive, though her costume has rather a Teutonic than a Gallic aspect.

When a hard working man remains poor his wife says he is too conscientious.

TO THE MAN WITH A LITTLE MONEY

Before the day of Bonds—an undertaking requiring a large mortgage was financed entirely by a Bank, an Insurance Company, or an institution having command of great sums of money. These institutions used the money paid them in deposits, policies, etc., to finance the undertaking.

Nowadays the mortgage is split into small denominations, called Bonds. This gives the public—the opportunity to participate in an investment backed by the greatest possible security and paying excellent interest, often as high as 6%.

Let us send you literature on Bonds in general and special issues from time to time. Send your name and address to go on our mailing list.

ROYAL SECURITIES CORPORATION LIMITED
BANK OF MONTREAL BUILDING YONGE AND QUEEN STREETS TORONTO
R. M. WHITE Manager MONTREAL-QUEBEC-HALIFAX-OTTAWA LONDON (ENG.)