PHŒNIX BRIDGE AND IRON WORKS COMPANY

Bond Issue — President Issues Statement — Plant is Located in Montreal's Manufacturing District

Monetary Times Office,
Montreal, May 8th.

The Phœnix Bridge and Iron Works Company is making a new issue of bonds and stock this week, through the Quebec Savings and Trust Company. This stock has already been underwritten, and is now being distributed to the public. The offering consists of $750,000 of 6 per cent. first mortgage bonds, and of $800,000 of common stock. The bonds are being offered at 96 per cent. of par, and the stock at $50 per share. The offering is being made simultaneously in London and in Canada. Approximately $450,000 of the bonds and $405,000 of the stock have been taken firm. A new company has just been incorporated at Ottawa with a capitalization of $1,500,000. This company in every way takes the place of the company which has heretofore operated under the same title. After the present issue has been accomplished, there will remain in the treasury to provide funds for future expenses and for the general purposes of the company, $700,000 of the common shares of the company. All the bonds will have been issued.

Statement From President.

Accompanying the offer is a statement from the president of the company to the effect that the average net earnings, after depreciation, for the 3½ years ending December 31st, 1912, amounted to $89,159. As the interest on the entire bond issue of $750,000 or six per cents. would amount to $45,000 per year, it will be seen that over $44,000 would remain after the bond interest had been paid. In other words, the average earnings for over three years past have been sufficient to provide bond interest twice over. Or, looking at it from the standpoint of the shareholder, the surplus over bond interest requirements is equal to about 5½ per cent. on the stock of the company. When the earnings for the past eighteen months alone are taken, the surplus represents about 6¾ per cent. on the stock of the company.

Has Excellent Facilities.

The Phœnix Bridge and Iron Works Company has a plant situated in the centre of the manufacturing district of Montreal, where shipping facilities are all that could be desired. The concern manufactures and erects structural steel for bridges and buildings. The cost of delivery, owing to the central location of the concern, is smaller than in the case of most other companies. Operations have now been carried on satisfactorily since 1898, and save for an occasional year, earnings have shown a fairly constant increase, beginning with $51,000 in 1898 and progressing gradually to upwards of $600,000 during the past couple of years. The land owned by the company allows of an expansion to the works. The assets of the company, at the end of last year, including $25,000 which is being provided for improvements, amounted to $1,400,000, while total liabilities were but $57,000. This leaves a surplus of $1,243 against the present bond issue of $750,000.

Mr. James W. Pyke is president of the company, and Mr. T. Palmer Howard is general manager.

INTEREST RATES INCREASED TWENTY-FIVE PER CENT.

The three great commercial nations of the world, the United States, England and Germany, have been investing enormous sums of money during the last few years in new developments. The supply of capital though by no means exhausted, has consequently greatly diminished and owners are enabled to exact much more onerous terms. It is safe to say that interest rates on permanent investments have risen 25 to 30 per cent. in the last four or five years, states Henry Clews, the well-known financier. Such a striking change must have a marked effect upon values, and this imperative readjustment is one of the important elements in the present market situation. Whether the decline on this account has reached its limit or not, it is premature to say. So far as high-grade bonds are concerned, the rise in interest rates would appear to have been nearly discounted, but owners of high-grade securities are not frequently exchanging a portion of the latter for the new high interest rate issues.

The capital stock of the Pioneer Fox Farming Company has been increased from $4,700 in shares of $10 each, to $100,000 in additional shares of $40 each.

MEDICINE HAT TO BE AN INDUSTRIAL CENTRE

Banking Situation — People to Vote Upon Street Railway—Cheap Power and Good Water

(Special correspondence.)
Medicine Hat, Alta., May 5.

Medicine Hat has experienced a wonderful awakening during the past year or so, and just when we had hoped for great activity in the building line this spring, the builders must go slow owing to the loan companies shutting down on mortgage loans. It is, no doubt, for the best, for real estate sales were altogether too active to last, and values in many cases were not taken into account so long as they could unload upon another.

The banks have kept strictly out of any loans of a speculative real estate nature, and for this reason have been able to take care of their clients, and at no time have been obliged to refuse regular customers who are engaged in legitimate business what money they required, and drafts made by merchants for goods have been paid at maturity in the majority of cases, and not more than 25 per cent. of the banks' customers' paper has been renewed. Except in cases of mortgage loans for dwelling house and business blocks, Medicine Hat has not felt the money tightness so far.

Probably Vote for Street Railway.

There has been considerable outside money expended for real estate of late, which no doubt accounts for the tightness not being felt to any extent. Our city council have signed up with a number of industries who intend locating factories here, and the citizens will be called on to vote for or against the granting of a charter to The Max Aikens' Company for a street railway franchise on the 23rd of this month, and it will probably carry as the people feel the great necessity of a street railway right away if this is to be the industrial city that its citizens expect it will be within the next five years, and while civic ownership is favored, the taxpayers feel they cannot afford to build it at present, and the city reserve the option of taking it over in 20 years.

Revenue from Natural Gas.

The city will have a revenue this year of $125,000 from the natural gas, which is found money, and the convenience of having natural gas in the homes and places of business, not to speak of the small cost, is a great inducement against the use of coal and wood.

Medicine Hat, in my opinion, is destined to be a large industrial centre. It has a good start. The money tightness may check its rapid growth for a time, but it has two essentials which go to build up a city, namely, cheap power and good water, and plenty of it.

GEOGRAPHICAL DISTRIBUTION OF BANKS

Banking practices are much to the fore in Canada owing to the discussions taking place at Ottawa on the new bank act. But banking is not often thought as a profession employing 13,000 persons throughout the Dominion. A course on Modern Banking is being conducted by the Shaw Correspondence School, Toronto. Included in this are eight lessons on "Bank Geography," by Mr. H. M. P. Eckart, the well-known author, who has contributed many valuable articles on banking subjects to The Monetary Times.

These lessons form part of the introductory course on banking subjects. The object is to inform the younger members of the banking staffs regarding the geographical position of each of the Canadian banks, and regarding the kind of business transacted by the branches in each one of the Canadian provinces, and by the branches abroad. Also one chapter is devoted to a description of geographical position of the various railway systems and the relationship of the railways to the banks.

The courses of study to which bank geography belongs, make their direct appeal to bank employees. First, they provide a means whereby the individual bank clerk may improve his knowledge of banking practice and theory, and thereby increase his chances of promotion and better pay.

Besides giving bank clerks an opportunity to study their profession systematically, the lessons also serve to give the best men an opportunity to display their knowledge of banking practice independently of local managers and inspectors.

The following securities have been listed on the Montreal Stock Exchange:—8,514 additional shares of common stock, and 8,300 additional shares of preferred stock of the Dominion Canners.