

THE EXCHANGE NEWS.

Issued Daily
at four-thirty o'clock p.m.

◆ A FINANCIAL NEWSPAPER ◆

For Investors, Operators, Business Men
and Corporations.

457 St. Paul Street, - Montreal.

SUBSCRIPTION PRICE:

One Year, \$6.00. Six Months, \$3.00.
Three Months, \$2.00.

PAYABLE IN ADVANCE.

Advertising Rates on application.

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457 St. Paul Street, Montreal.
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Montreal Stock Market.

REVIEW FROM OCT. 14TH TO
OCT. 21ST.

Market Has Been Weak But
Closes Steady.

CANADIAN PACIFIC DE-
CLINES TO 80, BUT
REACTS TO 81½.

War Eagle Has Been Dull, Closes
With a Decline of 4 Points.

TORONTO RAILS HAVE DE-
CLINED A POINT AND
RECOVERED.

Montreal Street Has Been Ne-
glected, Closes Steady.

MONEY ON CALL 4½ P. C.

TOTAL SALES.

War Eagle,	26,100
Ordinary Shares,	11,137
Bank Shares,	310
Bonds,	\$2,500

SALES FOR THE WEEK.

War Eagle	26,100
Canadian Pacific	11,137
Toronto St. Railway	3,385
Montreal Street Ry.	972
" " New Stock	100
Royal Electric	105
Montreal Gas	579
Rich. & Ont. Nav. Co.	100
Dominion Cotton Co.	846
Halifax Ry.	129
Montreal Telegraph	20
Bell Telephone	33
Montreal Cotton	60
Com. Cable	200
Dominion Coal Pfd.	75
Duluth pfd.	50
Merchants Cotton	10
Molson's Bank	15
Quebec Bank	10
Union Bank of Lower Canada	1
Merchants Bank of Canada	159
Hochelega Bank	25
Canadian Bank of Com.	80
Bank of Montreal	17
Bank of Toronto	3
Cable Bonds	\$2,500

RANGE FROM OCT. 14TH TO 21ST IN-
CLUSIVE.

	HIGH.	LOW.	CLOSE.
Can. Pacific	83½	80	81½
Montreal Street	275½	273½	275½
Toronto Railway	103½	102½	103½
Royal Electric	157	155	155
Rich. & O. N. Co.	99	99	99
War Eagle	*284	278½	*279½
Dom. Cotton	100½	99	99½

*Ex div. †Bid.

MONTREAL GOSSIP.

CANADIAN PACIFIC.

As predicted in our issue of the 15th the decision of the committee appointed to consider the freight differential question has been adverse to the C.P.R. The case for the C.P.R. was ably handled by Mr. Robert Kerr, Traffic Manager of the C.P.R. at Winnipeg, Mr. Bisworth, the Freight Traffic Manager of the road at Montreal, and Vice-President Shaughnessy. Notwithstanding this galaxy of talent, the decision was rendered so quickly that it looked as if in the minds of the arbitrators there was little room for argument and consequently the stand said to be taken by Mr. Shaughnessy that further consideration should be given to the question will, if agreed to, not materialy affect the present decision. The further accusation of the American roads against the C.P.R. that they have made a practice of anti-dating tickets sold at cut rates, if true, would certainly militate against any favors which might be expected by the C.P.R. from their American competitors. From present indications it is apparent that the rate war which the friends of the interested roads fondly hoped was settled is likely to continue for some time, and in fact the feeling to-day is more bitter than it has been for some time.

Eleven thousand one hundred and thirty-seven shares were sold between the 14th and the 21st inst., of which 8,000 have been dealt in within the last two days at from 80 to 81½, showing a very large amount of liquidation. The stock closed last night at one per cent over parity, a position that can not well be maintained considering the quantity of floating stock at present in this market. We do not look for any advance in price in the near future.

MONTREAL STREET.

The interest of both investors and operators in this stock has greatly diminished of late. Its course during the week has been erratic, opening sales were made at 275½ to 276, on the 20th it sold at 273½, and last night was again up to the opening price of the week. 972 old and 100 new shares constituted the week's operations.

There is no diminution of their earnings which amount to \$88,11.07 from the 1st to the 21st, showing an average increase of \$622.58 per day. That so little liquidation occurred in this stock during the uneasy feeling which prevailed during the week, demonstrates the faith the holders have in this security.

TORONTO RAILWAY.

The position of this stock as a leader in the market has been well maintained. 3385 shares have changed hands, the range of prices having been within 1 p.c., and it closes at the same price at which it opened the week. The small changes are unsatisfactory both to brokers and operators, and no very large trading can be expected until it gets out of the rut. Our opinion is that it is more likely to advance 5 p.c., than to decline to par, more especially as increased dividends are freely spoken of on the Street, and earnings show such steady increases. In any event, it is by long odds the safest stock on the list for a long pull.

DOMINION COTTON.

A fairly active business resulting in an advance of the stock to over par is the record of this security for the week, the last sale, however, was made at 99½ at which price more stock was offered. On the 18th 270 shares sold at from 100 to 100½, but since that date it declined to the above figures. In all 846 shares were sold and nothing has transpired to effect the price of the stock.

MONTREAL GAS.

This stock developed decided strength, particularly towards the close of the week. From information received we would not be surprised if this stock made marked advances before the end of this year and in our opinion it is worth holding. The advance from 186 to 189 has been rapid and was made on comparatively small sales. We think that if a round lot was procurable still higher prices would be paid and it is likely to be a leader of the market on the resumption of general activity. 579 shares were sold and at the close last night no stock was offered under 190 with 189 bid.

COMMERCIAL CABLE.

The small business in Commercial Cable amounting to 200 shares which transpired during the week, was done at 180 and 181, speculation has entirely disappeared from this security and the transactions simply mean a change of investment holders. The yield of 4½ per cent. to the investor

is not large, but the satisfactory nature of the business no doubt leads holders to anticipate a larger division of profits at some future date.

ROYAL ELECTRIC.

105 shares of this stock sold, 30 on the 15th at 157 and 75 on the 20th at 155 and it closed nominal yesterday at 155 to 160. Until the directors decide definitely what policy they will adopt re new issue of stock, no great activity may be expected in the shares.

HALIFAX RAILWAY.

Little or no interest has been taken in this stock for some months and the tendency during this week has been towards lower prices, it has sold from 139 down to 128½ the closing price being 128 to 131. 129 shares sold, up to yesterday.

WAR EAGLE.

A decline of nearly 6 p.c. has taken place in this security. It sold down to 278½ on the 20th, since which it has regained 1½c. There is nothing in the reports from the mine to warrant any weakness in the stock, and we have confidence that as a speculation it is the most promising issue on Change.

RICHELIEU AND ONTARIO.

There is little disposition on the part of those who hold this stock to part with their shares and on the other hand the general investor has not yet come to look upon this stock as equal to the leading investment stocks. The public will some day wake up to the importance of this stock as a steady dividend payer, and the prejudice of the past will be replaced with confidence when the good management and satisfactory returns of the Company are realized. So long as the management and directors of the Company remain as at present it will not only earn its six per cent. dividend but will have sufficient of a surplus to maintain its fleet and equipment at a high state of efficiency. As this is one of the few stocks which yield six per cent. it should certainly command higher prices.

BANKS AND BONDS.

The usual investment business in bank shares has resulted in a scattered business having been done in six different bank stocks, of which Merchants Bank of Canada furnished 159 out of a total of 310. The prices obtained have been in favor of sellers. Commercial Cable Bonds sold to the extent of \$2,500 and brought 103.

SUNDRIES.

The sales in this department consist of 75 shares Dominion Coal Pfd., 50 shares Duluth Pfd., 60 Montreal Cotton, 33 Bell Telephone, 20 Montreal Telegraph, and 10 Merchants' Cotton. Prices obtained were similar to those which have ruled of late for these securities.

ROYAL ELECTRIC.

As predicted by the "Exchange News" some time ago the directors of the above Company did not receive the necessary authorization from the shareholders at the meeting held on Oct. 18, to issue preferential stock. The required number of shareholders to pass this resolution were not present at the meeting and of those who were present the majority were decidedly opposed to this step. Mr. Rodolph Forge in a few very pertinent remarks, pointed out the folly of the step. His remarks as well as those of one of the directors, Col. Strathy, in opposition to the step, were clearly the sentiment of the meeting.

The principal reasons advanced by these gentlemen, were the folly of borrowing money even at a low rate of interest from a bank who might at any time either raise the rate of interest on or call in the loan altogether. In the latter eventuality if the Company were unable to raise the necessary funds to pay off this special loan, they would be placed in the very awkward position of having this preference stock forced on the market at probably the worst time sold most likely under its legitimate value, and of having to pay in cold cash whatever shortage there might happen to be.

We stated in our remarks on the balance sheet of this company, a fortnight ago, that the sum of \$250,000, which the directors asked for if the figures given in the balance sheet were correct was not nearly enough to place the Company in anything like an easy financial position, and one director at least, since that time has evidently realized that we were right in this respect, for he stated the shareholders should authorize the directors to issue \$500,000. The only difference between this gentleman and the "Exchange News" being that he wants the money to enable the Company to crush all opposition, while we are satisfied the money is required and required very badly, to enable the Company to meet a portion of their large liabilities some of which are doubtless pressing. The

principal reason advanced by those directors in favor of the issue of preference stock was the large saving in interest to the shareholders by being able to borrow the money at a low rate instead of paying if ordinary shares were issued and the capital increased the regular dividend on the new stock. This saving, however, which might be only of a temporary nature, so far as the shareholders are concerned is merely apparent and not real. It is very much like the merchant requiring more capital in his business, and having the necessary funds himself, to invest goes outside to borrow the same because he can obtain it from these sources, at a lower rate than he thinks his own money should realize. If the present shareholders of the Royal Electric are willing to subscribe for an additional stock, why should they not be given an opportunity of doing so? We are strongly of the opinion that the wisest course for the directors to pursue would be to take the shareholder into their confidence. If money is required, (and of this there is no doubt) give their shareholders an opportunity of providing it by increasing their capital and thus instead of creating a large liability to the public which might have to be liquidated more rapidly than would be pleasant, they place themselves in the stronger position of reducing their liabilities to the public instead of increasing them, and any benefit which may accrue will be received by the parties who are clearly entitled to them.

As regards the additional stock which according to agreement has to be taken by the Royal in the Chambly Mfg. Co., this was agreed to by the shareholders. It was hoped by some of the shareholders that information of a definite character might be forthcoming, but the information given was of a very vague nature. In their annual report for the year ending May, 1897, the directors state:—

"The building of the dams, power house, and water-wheels, at Chambly is well under way, a considerable portion of the dams being already completed, as well as of the iron work for the water-wheels, and the work is being pushed to secure completion within the contracted time."

"In a very few months the Company will be able to deliver on its lines in this city electric current generated by water-power at Chambly, and to give its customers the benefits of the reduction in cost to be derived thereby without impairing profits."

In their report for the year ending May 31st, 1898, they say:—
"Considerable unexpected delay has occurred in the completion of the power-house ready for the electric machinery, and consequently, delay in obtaining the electric current from the Chambly plant, which we expected to obtain during the past year."

The work of completing the buildings and hydraulic works at Chambly is, however, now in hand, and there is every indication that within a very short time the entire works will be completed and current delivered therefrom to our station in this city."

So that the "very few months" which according to the directors report in May, 1897, is rapidly developing into a very few years, and it is painfully apparent from the statements made by the management and directors at different times re this matter that they are woefully in the dark.

While not desirous of posing as alarmists our duty compels us to call attention to this fact, that nearly 1-3 of the capital of the Royal Electric is locked up in outside investments. These investments may prove a source of revenue or on the other hand may be a severe drag on the operation of the Company, and as no information has been forthcoming in the past, as to the nature of these investments, and what they yield, we certainly think the shareholders at the adjourned meeting should be given complete information regarding same.

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