

BELL TELEPHONE BONDS

Large Issue Purchased on Joint Account—Canada Bread Bonds Active

The Royal Securities Corporations have purchased on joint account with Lee, Higginson & Company, of Boston, \$1,750,000 5 per cent. bonds of the Bell Telephone Company of Canada, Limited. The issue is being made to provide for the growth and extension of the company's system generally. A similar bond issue amounting to \$1,250,000 was made in March, 1911, and last September an issue of \$2,500,000 stock was made. The last payment on the stock issue is due on August 1st next, and the company will then have a paid-up capital of \$15,000,000. Outstanding bonds at the close of the company's last fiscal year, December 31st, 1911, were \$4,899,000. The company has authority to issue bonds up to 75 per cent. of the paid-up capital, so that even with the present issue there will be a margin of over five million dollars between the outstanding and the authorized issue. The bonds constitute a first charge upon the whole lines, works and plant of the company, but do not create a privilege or lien on the real estate. Plant and patent account of the company on December 31st last stood at \$20,531,327.

It is understood that there will be no public offering of the bonds. They will be disposed of privately through the purchasers, the Royal Securities Corporation, Limited, and the Boston financial house of Lee, Higginson and Company.

Montreal Terminal Railway Issue.

The Montreal Central Terminal Railway has called a special meeting for August 9th to authorize an issue of bonds, to increase the capital stock and to authorize traffic agreements with all railways requiring terminal facilities in Montreal.

The bonds of the Canada Bread Company were active on the Toronto Stock Exchange this week. The figures are given in our stock and bond tables elsewhere in this issue.

Ritz-Carlton Hotel Bonds.

The offering of Ritz-Carlton Hotel bonds will consist of half the total issue of \$1,000,000. The bonds, which will be offered at 95 and accrued interest by the owners, Messrs. C. Meredith & Company, Limited, are five per cent. first mortgage bonds, subject to retirement at not more than 105 and interest, on and after June 1st, 1919. Under the trust deed the issue represents a closed mortgage on all the fixed assets of the company. The capitalization of the company is \$1,000,000 bonds, \$1,000,000 seven per cent. preferred stock and \$1,000,000 common stock. The value of the assets is 71 per cent. greater than the total issue, and estimated earnings are placed at six times the bond interest. The estimated income is as follows:—

Gross profits	\$295,000
Depreciation, etc.	\$75,000
Bond interest	50,000
	125,000
	\$170,000
Dividends on preferred stock	70,000
Surplus	\$100,000

Mr. C. R. Hosmer is president of the company, and the other directors are Mr. William Harris (London), Sir Montagu Allan, Mr. H. S. Holt, Mr. H. V. Higgins (Lon-

don), Mr. T. J. Drummond, Hon. L. G. Guest (London), Mr. C. B. Gordon, Mr. W. M. Birks, and Mr. G. W. Farrell.

Chicago and Milwaukee Bonds.

The basis of the refinancing plan of the Chicago and Milwaukee Electric Railway is the authorization of an issue of \$10,000,000 of first mortgage bonds, of which, however, only \$4,500,000 is to be sold at present. Of the return from this issue \$1,080,000 will be used to retire the underlying bonds of road, \$1,000,000 to redeem receiver's certificate, about \$1,000,000 will go into betterments, and the balance will remain in the treasury. Several million dollars of the bonds of this road are held in Canada.

The assets of the Amalgamated Asbestos Corporation, Limited, have been sold to the Asbestos Corporation of Canada, Limited, and bondholders of the Amalgamated Asbestos Corporation are entitled to receive securities of the Asbestos Corporation of Canada, Limited, in the proportion of \$250.00 5 per cent. bonds, \$500.00 6 per cent. preferred stock and \$250.00 common stock for each \$1,000 bond on surrender of their bonds to the Royal Trust Company for cancellation at its office, Transportation Building, Montreal.

Ontario Power Bonds.

The Toronto General Trusts Corporation desire to purchase 5 per cent. first mortgage gold bonds and 6 per cent. coupon gold debentures of the Ontario Power Company, of Niagara Falls, of the par value of \$1,000 each. Owners of such bonds or debentures desiring to sell same are invited to send particulars to the Toronto General Trusts Corporation, Toronto, on or before July 22nd.

The National Trust Company, Limited, will receive until 25th July, at its Montreal office, proposals to sell first mortgage bonds of the Dominion Iron and Steel Company, Limited, to be purchased by means of \$88,533.62 paid by the company to the trustee for the purpose of a sinking fund according to the terms of the trust deed executed by the Dominion Iron and Steel Company, Limited, in favor of National Trust Company, Limited, trustee, on July 1st, 1899.

Messrs. N. B. Stark & Company, Montreal, have opened a bond trading department to deal exclusively in current standard Canadian securities. This department will meet the increasing demand for a market for unlisted bonds, and will be under the management of Mr. J. N. Stone.

FOREIGN EXCHANGE.

		Between Banks.		
		Buyers.	Sellers.	Counter.
N. Y. Funds	.....1-32 dis.		1-64 dis.	½ to ¾
Mont. funds	.....5c. dis.		Par.	½ to ¾
Sterling—				
60 days' sight	.....9 1-32	9 1-16	9 5-16	to 9 7-16
do. demand	.....9 19-32	9½	9¾	to 10
Cable trans.	.....9 11-16	9¾	10	to 10½
Rates in New York—		Actual.		Posted.
Sterling, 60 days' sight	.....	4.84.70		7.85½
do. demand	.....	4.87.30.35		4.88½
Call money in Toronto, 5½ per cent.				
Bank of England rate, 3 per cent.				
Open market discount rate in London for short bills, 3 per cent.				

RIO AND SAO PAULO PRICES.

The following are the high and low prices and dividend record of Rio & Sao Paulo for the past seven years:—

Rio de Janeiro Tramway, Light & Power Company.

	1906.	1907.	1908.	1909.	1910.	1911.	1912.
High	48	48	80	103	105	117 ¾	149 ¾
Low	38 ½	26 ¾	29 ½	79 ¾	87 ¾	101 ¾	111 ¾
Dividends paid				1%	4 ½ %	5%	5%

Sao Paulo Tramway, Light & Power Company.

	1906.	1907.	1908.	1909.	1910.	1911.	1912.
High	145 ¾	138 ¾	157	160	152 ¾	190	251
Low	128 ¾	98 ¾	113	142 ¾	139	148 ¾	187 ¾
Dividends paid	8%	8%	9%	10%	10%	10%	10%

The erratic market in these stocks during the past few days, was due to a reported hitch in the merger negotiations. It was learned on Friday that the old country interests, who are the chief holders, objected to the proposed initial dividend of 6 per cent. as being too high for a beginning, and that the Sao Paulo holders were not getting sufficient consideration generally. The status of the Rio shareholders is not likely

to be changed. They will receive eight-fifths of the new stock for each share held at the time of the amalgamation. The position of Sao Paulo holders will probably be improved. In place of receiving two and a half shares of the new stock for each share of Sao Paulo they will be given one-quarter share extra. In short, every share of Rio will rank for \$160, and every share of Sao Paulo for \$275 in the new corporation. Official confirmation of these terms is likely as we go to press.