

RICHELIEU MAY TAKE OVER INTERLAKE LINE.**Negotiations Are Proceeding for Absorption of Navigation Company—Will Eliminate Competition.**

The Richelieu and Ontario Navigation Company is apparently determined to control matters in its particular sphere. Negotiations are proceeding with a view to the absorption by that company of the Canada Interlake Line. The Richelieu Company has obtained authority to increase its capital from \$10,000,000 to \$15,000,000, presumably with the object noted, in view. The capitalization of the Interlake is as follows:—

	Authorized.	Issued.
Common stock	\$1,500,000	\$1,000,000
7 per cent. cumulative preferred stock	1,500,000	1,000,000

At the end of 1911, the capitalization of the Richelieu Company was as follows:—

	Authorized.	Issued.
Common stock	\$10,000,000	\$5,311,875
5 per cent. debentures	2,000,000	1,313,933

Canada Interlake Line

The Canada Interlake Line, Limited, was formed some months ago to take over the prosperous business of the Canadian Interlake Line, Limited. To the line of vessels operated by that company this year are being added eight vessels, making in all fourteen. It is now the largest company in Canada engaged entirely in freight lake transportation. All the vessels are modern and of steel construction.

The actual earnings from operation of nine vessels for the season 1912, up to November 30th, were \$211,270, although two of the vessels were not available until July. The estimated earnings from the end of November to the close of navigation will bring the total earnings of the nine vessels to \$225,270 for 1912. The net earnings of the fourteen vessels of the fleet for 1913 have been estimated by Mr. Norcross, the managing director, at \$348,000. Deducting from this amount, interest and sinking fund on bonds of \$113,750, there is left a balance of \$234,250, which represents 23.4 per cent. on the preference capital, or over three times the dividend thereon. After providing the dividend on the preference capital and the special reserve of 3 per cent., there is a surplus of \$134,250, or over 13 per cent. on the common stock. This is after payment of \$67,000 out of profits for the sinking fund, which is actually paying off liabilities and is not really a charge upon profits.

Controlled by Richelieu

The Richelieu and Ontario Navigation Company now controls the following lake steamship lines:—Niagara Navigation Company, Northern Navigation Company of Ontario, Inland Lines, Turbine Steamship Company, Thousand Island Steamship Company, and the St. Lawrence River Steamboat Company.

The absorption by the Richelieu of the Canada Interlake places under one control an important branch of the shipping industry. A clear route is established across the Great Lakes to Montreal, and cargoes will be transhipped to the Furness steamers and carried across the Atlantic to Liverpool, Manchester and Hull.

Commenting on Richelieu matters, the London Financial Times, in its issue of December 6th, says:—

"We understand, on what appears to be good authority, that an offer of \$125 for each \$100 of common stock of the Richelieu and Ontario Navigation Company is about to be made on behalf of Furness, Withy and Company. It may be recalled that, earlier this year, there were many rumors current to the effect that the English company was anxious to acquire a controlling interest in the shipping business of the Canadian lakes, and that for this purpose a sufficient amount of the common stock of the Richelieu and Ontario Navigation Company would be bought in the market. While the rumor was generally believed to be pretty near the truth, there was no official confirmation of it, and gradually the matter was forgotten. There is little doubt, however, that at the time this statement was current, Messrs. Furness, Withy and Company were active buyers of the issue, and that they acquired \$1,800,000 out of \$3,132,000 outstanding. Dividends at the rate of 8 per cent. per annum are being paid on this total, so that the suggested transaction seems to be a fair one from the point of view of all concerned. If the deal be consummated it will in no wise affect the position of the bondholders of the Richelieu and Ontario Company, many of whom are resident in this country, beyond the fact that the concern is likely to become still more prosperous under the energetic and capable administration of the Furness interests.

Will Build in Furness Yards

"The matter has aroused considerable interest in Montreal, where the scheme is regarded favorably. The benefits to the Furness, Withy fleet of direct co-operation with one of the leading lines operating on the Canadian lakes would be very great, for the result would be to do away with a great deal of the competition which at present exists in those waters, and would give the English concern a free hand instead of the very restricted sphere of action which at present is all that it enjoys. The value of the shipping business on the Canadian lakes

is growing every year, and many of the vessels trading in those waters might easily be mistaken for ocean liners. There is little doubt that this tendency towards large steamers will increase hereafter, and doubtless a good deal of any fresh construction work which may be required will go to the Furness, Withy yards."

HOW RECENT ISSUES FARED IN LONDON**Land Schemes Went Poorly—Heavy Borrowings to Come—Canadian Northern Equipment Bonds Sold in United States**

All of the £50,000 issue of 6 per cent. cumulative preference shares of the Manchester Canadian Investments, Limited, was subscribed privately. This company has been formed "to take advantage of the many opportunities existing for the profitable investment of money in the Dominion." Mr. C. C. Chipman, for twenty years with the Hudson Bay Company, is one of the managing directors.

Of the issue of £150,000 shares of £1 made in London at par by the Southern Ontario Land Company, sixty per cent. was left with the underwriters. The company will purchase about 5,200 acres of freehold land, with improvements, near Wheatley and Leamington, Ontario, "with a view to development and subsequent re-sale at a profit in the form of ready made farms." Mr. A. E. Mathews, of Toronto, is one of the directors, as also are residents of Chatham, Tilbury and Stratford, Ontario, and three Englishmen.

Another Land Issue

Another recent land issue was £80,000 6 per cent. 1st mortgage debenture stock at 98 of the Anglo-Canadian Lands, Limited. Owing to that issue having been brought out when the hostilities began in the Balkans, the underwriters had to take up 90 per cent. of the amount underwritten by them. On December 17th, the stock changed at the issue price, viz., 98, and all underwriters who were anxious to be clear disposed of their holdings at around that figure.

Of the £1,000,000 4 per cent. ten year debentures of Alberta province at 97, 70 per cent. was left with the underwriters, who also took 40 per cent. of the city of New Westminster's issue of £256,300 4½ per cent. bonds at 96.

Of the £128,100 issue of 4½ per cent. debentures at 92, 75 per cent. was left with the underwriters.

The city of Moose Jaw's flotation of £257,600 5 per cent. debentures at 98 was oversubscribed.

The Grand Trunk Railway's issue of £1,000,000 4 per cent. perpetual consolidated debenture stock was fairly well patronized.

A complete tabulation of the Canadian flotations in London last year and a survey of the situation on that market will appear in the annual number of The Monetary Times next week.

Situation in London

A London cable message special to the New York American says:

The year-end money squeeze is about over. Rates were weaker in Lombard street on the eve of the holiday but many are growing uneasy about the new year demands.

It is estimated that war loans and other government borrowing in the near future may amount to \$450,000,000 or \$500,000,000.

If this should prove true, the outlook is bad for gilt-edged securities. Large industrial issues are also impending. Companies, however, will have to offer tempting rates, and, while trade booms, they can afford to do it.

Diplomatic Negotiations

The prospect of what may happen when a trade reaction comes is disquieting. An enormous amount of capital will have to be taken care of. The closing of the Thames iron works and shipbuilding yards, employing 700 or 800 men, was a heavy blow to the East End.

These works are of historical interest, and hold a record for warships. The Warrior, the first armor-clad in the British navy, was built there. The Thunderer, a super-dreadnought, was completed there in twenty-four months.

A more cheerful feeling prevails over the trend of diplomatic negotiations, especially the agreement reached in the Albanian controversy.

Sold in United States

Messrs. William A. Read and Company, of New York, and the Dominion Securities Corporation have sold privately \$2,000,000 series E-1 first mortgage 4½ per cent. equipment trust bonds of the Canadian Northern Railway, dated September 1, 1912, due serially to 1922. Early last year series C and D, amounting to \$5,000,000, were placed by the same bankers.

According to the Winnipeg fire department report issued by Fire Chief Buchanan during the past two weeks, only 34 calls had been answered. Twenty only turned out to be actual fires, the remainder being still alarms.