

railway and electric power business and the gas and telephone system of Rio de Janeiro, Brazil. It controls the public utilities of one million people. The company is one of the greatest enterprises in which Canadian financiers are interested. It is now seven years since the corporation was born. At that time, Rio de Janeiro was being carried by four tramway companies, two of them operating cars hauled by mules, and the others running trolleys generated by steam. The city was lighted by an expensive, obsolete gas plant. The new company of Northerners bought out the stock of the native concerns and turned Rio de Janeiro into a modern metropolis with electric cars, light and telephones. The mules were sent to their stables; a new gas plant was built; a power station was erected at Rio das Lages, 51 miles from the city, with a present capacity of 52,000 h.p.

In 1909 a dividend was declared on the stock on a 1 per cent. basis. In 1910, 4½ per cent. was paid, and last year 5 per cent.

### On and Off the Exchange.

#### Ploughing a Lonely Furrow.

AT the risk of becoming tedious, which mayhap the general reader by this time regards as more of a stern reality than a risk, attention may again be directed to the growing independence of the Canadian security markets, most recently exemplified in the Rio and Sao Paulo affair. Those who trade in stocks have been rarely able to create an interesting situation such as we have seen on our own exchanges during the past few weeks, unless an equally interesting condition and one of the same character existed in New York. A movement for the rise in our own securities half a dozen years ago would not have been attempted by operators of market experience unless New York was favourable. The trend of the big Wall Street exchange and the side shows up here rarely varied in character and were never long in opposite directions.

A week ago Canadian traders, almost to a man, were watching the surprising fluctuations in the Brazilian public utilities stocks and absolutely ignoring the attack of dol-drums that had seized the New York market. Practically the only attention paid the other side during the recent period of activity was the borrowing of some money in case the supplies available for market purposes should become curtailed here. For a time dealers in Rio and Sao Paulo were inclined to exhibit an indifference towards London, upon which mother of markets we have been growing more and more prone to lean. Quite between ourselves the Canadian markets, and especially the one in Toronto, were cruelly hurt by the snub the metropolis gave the announcement of the Rio and Sao Paulo merger. It had been fondly hoped that London, which owns the larger part of the two companies, would be surprised and delighted at the distribution of profits prepared for them by the controlling interest on this side. The scheme as outlined meant not only the carving up of the surplus earnings already accrued, but an arrangement for the distribution of the profits for years to come. London heard the scheme and did nothing except possibly sell a little. Either the announcement was not faulty or the prospective buyers were not pleased at the advance in prices which preceded the publication of the news. It was the same on the continental markets, where the Brazilian stocks are listed. The big partners in the concern having thus exhibited no elation at the good fortune that had come to them, the Canadian end of it began to speculate upon the possibilities itself, with the result that our interest in the Brazilian Tramway Light and Power Company has increased enormously. We have probably now more shares than we ever had before, and if they are held, there is no reason to fear the experience will be an unprofitable one.

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#### An Inside Melon (?)

POSSIBLY the one feature of the Brazilian merger to which real objection is taken was the inclusion of the Sao Paulo Electric Co. upon a par basis. It is a five million dollar concern which is just beginning, and although it has great possibilities, it will be a long time before it is worth the price paid for it. The Electric Company controls a number of water powers in the state of Sao Paulo and some valuable hydraulic developments and transmission lines. In time the Sao Paulo Tramway Company will be its customer.

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#### To Salvage the C. & M.

THE Chicago and Milwaukee Railway was destined to run between Chicago and Milwaukee "and way points," as the station announcer has it. Upon the hypothesis that it would and make money thereby, a large number of Canadians expended a sum estimated to be in the neighbourhood of at least four millions upon its securities. The Chicago and Milwaukee was one of the favourite investments of the Sovereign Bank management, so you can imagine the chance it had. The road never reached Chicago, but it entered liquidation, and in deference to the large amount of our money in jeopardy half a dozen Canadians were placed upon the bond-holders' board and ultimately became known as the Protective Committee. Their fees are the only return the road has made. Although the receivership proceedings have been costly, the Committee has at last succeeded in securing a terminal in Chicago and bringing about a revision of the road's finances which in time should result in such an enhancement of the value of the securities that our investors will get out even.

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#### When We Ship Gold.

THAT we are still hardly out of the apprenticeship stage in the gold mining business is vividly illustrated by the amount of tommyrot about the production at Porcupine, which is being printed as news in some of the Montreal and Toronto newspapers. No gold camp, and Porcupine as yet is not a world-beater, could reach anything like the figures in its early milling stages which are credited to it by these uninformed writers. The truth is that a great deal of trouble has been encountered in the operation of the gold mills at Porcupine, although the ore, when mechanical difficulties are overcome, is easy to treat. As yet all the mills are treating not more than 600 tons daily, however, and it is doubtful if the conservative mining men who control the two principal mills would claim any more. The technique of mining and milling is not of interest to the public, but it may be worth repeating a conservative prophecy that when next New Year's day rolls round four Porcupine companies will be able to lay credit to having produced \$2,000,000 of Canadian gold.

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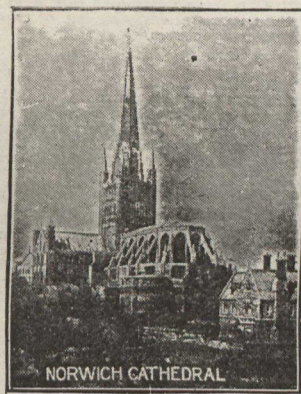
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