

Corporation Securities Market

Trading Broader But Not So Heavy On Montreal Exchange—Paper Issues Still the Features—Provincial Paper Company May Issue Bonds—New Brunswick Telephone Company to Increase Capital—Brompton Shareholders Ratify Proposed Stock Changes—American Sales Book Shares Now Listed in Toronto

IRRREGULARITY marked dealings in the New York market for the week ended July 14th, although trading was broader. The easing in call money had little effect. Traders were disturbed to a large extent by reports of commercial difficulties and by the threatened interruption in industrial operations on account of transportation congestion and the coal shortage. Speculative interests are still much confused over the immediate future of the money market and outlook for general business. If there was more certainty about these matters they would be disposed to buy stocks more freely.

Although trading in some stocks on the Montreal exchange was not as heavy as in the preceding week, the market was broader. The features were the paper stocks, both in activity and strength, Abitibi, Spanish River and Laurentide leading that section. The sensational rise of 25 points in Riordon is considered a belated one, and is attributed to the exchange of shares in regard to the recent consolidation. Such an advance has been expected for some time. Outside of the paper issues, Atlantic Sugar was the most attractive stock, gaining 11 points on a comparatively small turnover. At the close there was a weakening tendency which left that issue $4\frac{1}{4}$ points lower. The preferred also attracted considerable attention, rising 15 points, and continuing strong until the close. The actions of the latter are understood to be related to the conference in New York with regard to the payment of dividend arrears, which amount to 29% per cent. National Breweries was active and strong, while the tendency in Quebec Railway was to lower levels. The banking section was weak.

Toronto Exchange

Brazilian, Atlantic Sugar and Spanish River were the three stocks on the Toronto market which attracted the most interest. Brazilian was the active feature of the three, with a fractional gain. Atlantic Sugar exhibited much strength, the common gaining $16\frac{1}{4}$ points and the preferred 16 points. Spanish River, which remained fairly steady all week, sought higher levels at the close, the common gaining 9 points and the preferred $14\frac{1}{2}$ points. C.P.R. attracted much attention when it rose $6\frac{1}{2}$ points at $140\frac{1}{2}$. There was a reactionary tendency at the close, however. Canada Bread was rather erratic, while Quebec Railway was somewhat weaker.

Railway Issues on Market

There was little interest in the bond market outside of Quebec Railway, which issue was inclined to weakness. It is interesting to note the prices of the odd blocks of Canadian railway bonds which are now being offered in the United States. The Canadian Northern 6 per cent. equipment trust certificates, maturing each June and December from December 1st, 1920, to 1929, inclusive, which were put on the market in January last, were then offered to yield $6\frac{1}{4}$ and $6\frac{1}{2}$ per cent. These same bonds are now being offered to yield 7.50 per cent. Likewise, the Canadian Northern $5\frac{1}{2}$ per cent. gold notes, due December 1st, 1922 and 1924, which were put on the market in March at prices to yield 7.01 and 6.96 per cent., are now being sold to yield 7.75 and 7.40 per cent. The Canadian National 7 per cent. equipment trust certificates, due May 1st, 1935, which were put on the market in May, are still being offered at the same price, namely, 7.10.

Capitalization Changes

At the session of the Public Utilities Commission of New Brunswick on July 9th at St. John permission was given to the New Brunswick Telephone Co. to issue \$175,000 additional stock. The former authorization was for \$2,000,000. The additional issue is for the purpose of paying for extensions

and improvements effected during the last few years for which no stock had been issued.

The capital stock of F. T. Hill and Co., Ltd., will be increased from \$150,000 to \$500,000 by the creation of 3,500 shares of new stock (par value \$100). Supplementary letters patent have been issued by the province of Ontario for this purpose.

It is probable that the Provincial Paper Mills, Ltd., will do some new financing later in the present year in connection with the new plant at Port Arthur, Ont. A bond issue is mentioned, which will be secured by the company's four properties, the other mills being at Georgetown, Thorold and Mille Roches. In the reorganization of the company last April ownership of the Port Arthur Pulp and Paper Co. was acquired. At the time of reorganization the Provincial Paper Mills was allowed \$2,400,000 authorized preferred stock, of which \$1,700,000 has been issued; \$7,600,000 of common stock, of which \$3,500,000 has been issued, and \$3,000,000 of bonds, none of which have been issued. It is the present intention of the company to finance the new mill on bonds, if possible, with a supplementary sale of treasury preferred stock, should that be necessary.

Brompton Shareholders Approve Increase

At a meeting of the shareholders of the Brompton Pulp and Paper Co. in Montreal last week ratification was given the proposal of the directors to increase the common capitalization, which now consists of 70,000 shares of a par value of \$100 each, to 210,000 shares of no par value. Of the latter issue present shareholders of the company will receive two shares of the new securities for each one of old, the balance of 70,000 shares remaining in the Brompton treasury to be issued in order to provide for future exigencies in the way of financing.

It has been stated, however, that there is no present intention on the part of the board to issue any portion of the new stock in the treasury, the financial position of the company at the present time being so comfortable that the extensions at East Angus and elsewhere now in process of completion are being provided for out of current earnings.

Following the meeting, it was announced that the regular dividend of 1% per cent. had been declared on the preferred shares and one of 3 per cent. on the common, the latter being equal to \$1.50 per share on the new no par value stock. Both disbursements will be made on August 7th to holders of record July 31st.

American Sales Book Shares Listed

Both issues of the stock of the American Sales Book Co. are now listed on the Toronto Stock Exchange. The outstanding common stock is \$614,660 (par value per share, \$20), and preferred, \$3,073,300 (par value, \$100). The number of shares in each case is 30,733. The delay in listing this stock was due to the distribution going on among Carter-Crume shareholders, which is now practically completed.

American Sales Book Co. was organized in 1911 by the present president, Mr. S. J. Moore, and has plants at Niagara Falls, N.Y., and Elmira, N.Y. It is one of the few Canadian companies operating in the United States, and is the largest manufacturer of mercantile sales books in the world. The company was formed by merging the Carter-Crume Co., the Eastern Sales Book Co. and the American Sales Book Co., Inc., shareholders of the original companies receiving stock in the new concern in return for the assets they turned in. There are upwards of 800 shareholders, the majority of them being in Canada.

Common has been quoted all week at 25 bid, while preferred was quoted at 86 asked and 80 bid.