

THE EXCHANGE NEWS.

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The Exchange News has repeatedly warned its readers against investing in the different schemes whose advertisements appear from time to time in the columns of the daily press.

The methods adopted by the promoters are what might be termed "Hooleyite," for they know if men of standing in the community allow their names to be used as directors, the mass of the investing public will follow like a lot of sheep. One of our subscribers, commenting on the flotation of these companies, remarked that a company which recently had been floated at a very large capitalization, had not been able to pay a dividend on a \$50,000 capitalization yet it was recapitalized at over a million dollars and because the promoters secured a good list of names for the directorate, the stock was over subscribed. Probably in the course of time those who bemoaned the fact that they were too late to secure a portion of this tempting plum, will congratulate themselves that they were so unfortunate.

The latest candidate for public favor is the "Sissiboo Pulp and Paper Co., Ltd." Subscriptions are invited for \$250,000, 6 p. c. bonds at par and \$250,000 common stock at 25 cents.

Everything is "couleur de rose". The directorate is everything that could be desired, consisting of bank directors, an ex-mayor, merchants, etc.

If you want \$500 of bonds you must also subscribe for its equivalent in common stock that is \$500 common stock at 25 cents.

But in compelling you to do this, the promoters are doing the good Samaritan act, for, according to their figures, while the bonds only carry 6 per cent, the common stock at 25 cents will earn over 24 per cent.

The latter percentage may seem high, but they show you how it is done, and after you have studied their figures, you must be a doubting Thomas indeed, if you don't bite. Here are the figures:

12,000 tons per annum at \$12 per ton	\$144,000
Cost of producing same:	
12,000 tons at \$7.50 per ton	90,000
Showing gross profit of	\$54,000
6 p.c. on \$250,000 of bonds.	\$15,000
Sinking fund for bonds, to commence with 1902	3,440
	\$18,440
Net profit available for dividends	\$35,560
Being at the rate of 6.46 p.c. on the common stock.	

Or, in other word, the promoters of "The Sissiboo Pulp & Paper Co., Ltd." tell you that it requires a capital of \$800,000 to do a business of \$144,000 per annum, and that the net profit available for dividends will be

\$35,560, or at the rate of 6.46 per cent. on the common stock.

It might occur to the ordinary reader that a capital of \$800,000 is hardly large enough to do a business of \$144,000 per annum.

And he might begin to figure that if the Sissiboo Paper Co. with a turn over of \$144,000 per year can make a net profit of \$35,560, the profit of such concerns as the Laurentide Pulp Co., with probably ten times the turn over, by the same rule must be enormous.

But the shareholders in the Laurentide Co. will tell you that in the course of some ten years only one dividend has been paid and that was lately and not 24 per cent.

Of course existing pulp and paper companies are not favored like the Sissiboo Pulp & Paper Co., having such things as depreciation, office expenses, etc., to contend with and that is probably the reason why the shareholders of these concerns are not so jubilant over their gold mine as the Sissiboo stockholders.

We wonder if there are any investors in Montreal who have heard of Halifax Heat and Light? Enough said.

It was a victim last week whose trials and release impeded a little the wheels of the business car. This week a hero comes home and for two days causes virtual stoppage of a continent's business. Till to-day and to-morrow are over Admiral Dewey will engross all attention as it is right he should. The Union has many men to be proud of, but none quite of the calibre of the gallant old sailor. Since boyhood he has been fighting, as occasion demanded, for the Union, having in the civil war sailed under Farragut, whose leadership sufficiently guarantees that Admiral Dewey served a thorough apprenticeship. His thorough management of the Philippine affair is matter of history, and merits this national praise. Besides, his is a personality that without conscious purpose attracts public sympathy. The public likes a man who can be tolerant as well as strong, and Dewey is this if there is truth in the story of his handling the German captain and of his sailors' treatment of Lipton. Admiral Dewey is a strong man and in command must have implicit obedience, but like all such men, he has nothing of the martinet in him. New York knows this well and treats him accordingly. Montreal Gossip did not fail to take hold of this United States big demonstration in Dewey's honor, and veteran speculators as well as tyros talked heartily about Friday and Saturday's holidays.

AUGUST BANK STATEMENT.

When comparing the last Government Bank statement with that of 1898, the prominent features are expansion of discounts and call loans, amounting to nearly thirty million dollars. "Other assets" over two millions and one half, and an increase in circulation and deposits aggregating thirty-three millions with a falling off in debenture investments of nearly five million dollars. An increase of 1 1/2 millions have been sent to United Kingdom and 2 1/2 to foreign countries for earning of interest. The statement indicates that the business of the country is much larger than a year ago and that call loans have kept pace with the general activity of the times.

The shocking state of the Vill. Marie bank has no significance whatever so far as teaching any moral lesson goes, as it never had any right to exist. The worst phase of its collapse is that people who could least afford to stand it, lose very heavily; for them. As all banks are now obliged to guarantee the

circulation of all others, it will not be surprising if some section of the new Banking Act does not in some way provide means of government inspection under certain circumstances. Neither the People's nor the Ville-Marie had the confidence of the best-informed in banking circles, and long before such heavy losses had been possible, an independent inspection of these institutions would have exposed their fraudulent methods and both banks would have been closed years before things had come to such a serious pass, as the force of circumstances finally forced them to admit. Some claim there are too many banks but such is not our opinion. The capitalization of Banks has not by any means kept up to the volume of business offering. The heavy premium at which bank stocks sell is an indication that should a large new bank start under proper auspices its capital would quickly be subscribed and prove a very profitable investment. An amalgamation of some of the smaller banks of both Quebec and Ontario might, with added capital, form a basis for such new institutions. There are four or five banks in each province which could be amalgamated to advantage.

REVIVAL IN MINING.

(From the Western Miner and Financier.) Seldom in the history of Colorado has the outlook for great activity in all lines of mining been so bright as it is at the present time. During the boom in Leadville for about a year the outlook was particularly bright and a great deal of Eastern money was invested through the West, but not since that time has the outlook been so assured as it is now. Before the winter months are fairly upon us we predict another era of prosperity will set in for Colorado which has never heretofore been equalled. Capitalists by the dozen are now coming West. Not a day passes but that we meet from one to eight eastern gentlemen looking around with a view of investing in mines or mining stocks. Brokers and promoters are all as busy as bees. Most of them are unable to give the necessary attention to their business on account of the unusual number of visitors from other sections.

Probably the most prominent feature of the coming boom will be the demand from the East and from Europe for Colorado mines. Cripple Creek has already set the fashion through the sale of the Independence and other large mines in London, but the interest in Colorado mines is by no means confined to the great gold camp. It is quite general throughout the state. The San Juan section, with its immense deposits of gold, silver and copper ores, is attracting a great deal of attention. Several representatives of large syndicates are in the district. Negotiations are said to be pending, amounting to several millions. Leadville, although old, is not overlooked by any means, and Eastern capital is going in there to reopen the old mines and continue exploitation work along the line of the gold belt to open up new mines. All of the old gold producing districts are having quite a boom in the reopening of their old mines. Nearly every one of these old mines, which at any time in their history were profitable, are proving to be especially good when reopened. From all the camps come reports of increased output and congested ore bins. The smelter managers foresee that for the remainder of the year there will be a rush of ore that will tax their capacity to the utmost. Notwithstanding the fact that several large reduction works are now nearing completion, there will be room for others. The large smelter which is to be erected in Denver by the anti-trust people will have all the work it can take care of and we predict that its ore bins will be filled to overflowing long before the furnaces are ready to blow in.

Taken all in all, Colorado people have reason to be thankful. Those who strive to get ahead need not complain any longer of hard times.