

# New Basis of Traction Merger Favorably Received--N.Y. Steady

## TRACTION ISSUES WERE HIGHER

Street Accords a Favorable Reception to New Merger Basis — Market Evenly Balanced.

The South American traction issues were the features of the Toronto stock exchange in the week-end session, both Rio and Sao Paulo coming to the front again with sharp advances and closing at smart gains for the day. Trading was comparatively active for a half-session, but was so confined to the leaders that the majority of the securities were to all intents and purposes neglected, with negligible price changes shown practically without exception.

The announcement of the new basis for the Brazilian traction merger, as given in The World on Saturday, was favorably received by "the street," and in the idea that a further appreciation was warranted in both the participating concerns by reason of the comparatively low valuation for the securities of the holding company as indicated by market quotations, excellent buying of both Sao Paulo and Rio was experienced. There was an evident disposition to take profits on the part of small holders, however, and between the two the market was pretty evenly balanced for the first hour. Rio at the opening stood at 150, a full two points up from the preceding close, and added another half point to its gain before the turn was made. The close, at 150 bid, represented a net advance of over two points from the corresponding quotation on Thursday. Sao Paulo in the first hour's trading reached 25, within eight of its high record to date, and while the close was over a point below that at 23 1/2 bid, the bids were above those at the end of the previous session.

The street has accorded a favorable reception to the merger as outlined on Friday, and it may now be taken for granted that much of the apprehension occasioned by the opposition to the scheme has been dissipated. The Sao Paulo shareholders have been pacified by the more favorable terms accorded by the new deal, consequently all talk of favoritism will probably disappear. The fact that the Rio and Sao Paulo Co. up to this time not in the earning class, is to be taken in on so satisfactory a basis has been commented on freely, but the opposition to the merger will disappear in the general feeling of satisfaction on the part of the shareholders of the other companies included.

The Toronto market displayed no features on Saturday other than those noted above. Toronto Railway was an active spot, but the price range for the day was within the limits of Friday's quotations, and the close indicated no material change.

## JUNE RECORD OF RAILWAY EARNINGS

Gross earnings of all Canadian railroads reporting to date for the month of June show a gain of 16.3 per cent. as compared with the earnings of the same roads for the corresponding period a year ago.

The record across the border shows that gross earnings for June of all United States railroads making weekly reports, amount to \$2,274,463, a gain of 2.9 per cent., as compared with the earnings of the same roads for the corresponding month a year ago. While the gain over the two preceding months, May showing a gain of 4.3 per cent. and April 7.6 per cent., the exhibit is fairly satisfactory, inasmuch as the earnings of the railroads, uniformly in the returns by the different roads than earlier in the year.

In the following table given the gross earnings of all United States railroads reporting to date for the month of June:

	1912	1911	Per cent.
June	\$2,274,463	\$1,349,892	69.3
May	\$2,084,653	\$1,411,869	47.3
April	\$2,000,541	\$1,245,523	61.1

### IDLE CAR STATISTICS.

Railway traffic is steadily increasing as seen in statistics of the American Railway Association. Idle cars on July 4 totaled 66,846, which compared with 23,463 on May 23. The decrease in idle cars for six weeks was 66.5%.

THE ROYAL BANK OF CANADA	
Statement to the Dominion Government, Showing Condition of the Bank on June 26th, 1912.	
LIABILITIES.	
Capital Paid Up	\$7,007,500.00
Reserve Fund	\$8,775,500.00
Undivided Profits	\$91,200.00
Dividend No. 56, payable July 2, 1912.	\$34,215.75
Notes in Circulation	\$7,284,454.34
Deposits	\$4,068,053.48
Due to Other Banks	\$7,715,541.73
	\$122,401,044.76
ASSETS.	
Cash on Hand and in Banks	\$22,544,405.85
Government and Municipal Securities	\$2,675,735.42
Railways and Other Bonds, Debentures and Stocks	\$7,704,094.75
Call Loans in Canada	\$4,059,893.35
Call Loans elsewhere than in Canada	\$4,562,266.53
Deposit with Dominion Government	\$10,300.00
Security of Note Circulation	\$64,216,514.00
Loans and Discounts	\$65,408,733.45
Bank Premises	\$2,685,467.25
	\$122,401,044.76

## LOMBARD ST. ON FINANCIAL CONDITIONS

The London correspondent of The New York Evening Post cables the following summary of financial conditions:

LONDON, July 13.—The midsummer dullness is now in full force here. The chief topic of discussion by the city is the continued depression in gilt-edged securities. The governor of the Bank of England, at the Mansion House bankers' dinner, brought the matter gravely before the chancellor of the exchequer. There is much adverse comment at the fact that the government allows matters to drift. Earlier in the year the city bankers proposed that a deputation of bankers should visit the chancellor of the exchequer, but he refused to receive it.

Altho economic causes have had their share in bringing about this state of affairs, it is believed that the refusal of the government to raise a finger to aid the market for these high-grade securities is not a policy which ought to be continued by the government for the financial stability of this country.

Our Bank Deficit.

The deficit in reserves shown in your bank statement last week is much suspected of being either accidental or forced. This view is supported by the continued firmness in your exchange market. The feeling here is that you will begin to withdraw a portion of your European balances before long. It is felt also that it is unlikely that this movement will lead to any important gold influx from Europe. The situation is being carefully watched, as the developments of the New York money market must naturally attract a good deal of attention.

The congestion of securities is as pronounced as ever. Only exceptionally attractive issues stand much above of securing public support. Borrowers are beginning to appreciate this position, and they are beginning to obtain loans from leading countries they will certainly have to modify their plans for new developments to meet prevailing market conditions. This will mean a slackening of the fresh capital outlays in the newer countries, which then interest charge arising from the heavy loans previously raised to meet these charges.

Much larger exports of produce are necessary to meet the needs of such a situation. This movement, combined with reduced capital expenditure, may tend to reduce prices, causing some depression in certain trades.

London and Americans.

That the London interest in your securities is moderate was manifested by the reduction of 4 per cent. of the contingent charge exacted for American shares at the last stock exchange settlement. This was distinctly below the average charge exacted for other stocks. Higher prices for your securities are looked for later in the year, but something more definite will have to be known regarding politics, and the outcome of your presidential campaign before the foreign participation in your stocks can be enlarged. It is felt here that some awkward dividend declarations may have to be faced before this occurs.

## "MARY, QUEEN OF STOCKS" IN CHICAGO

Typist Who Traded in Half a Million in Shares Wants Her \$1,000 Back—Sues Brokers.

CHICAGO, July 13.—(Special.)—"Mary, Queen of Stocks" has been discovered in Chicago! Her full name is Mary McGowan, and there is nothing about her to betray her ambition to emulate James Patten or the speculating heroes of Norris fame.

However, she has played a big game for about half a year, and the sequel is to be found in the suit now being brought before Judge Rooney for the replevin of the thousand dollars, with which she has endeavored to make herself a modern feminine Croesus.

From August, 1911, to May, 1912, Miss McGowan bought and sold stocks valued at nearly \$500,000, all on the strength of \$1000 she had saved from two years of tedious office work. At first the brokers demurred at accepting a woman's account, as it was not in accordance with their custom, but finally they decided to take the business, since otherwise some one else would.

Miss McGowan in the first few months took several small flirts in Wall-street, sometimes making a profit, sometimes taking a small loss. Then she began to plunge. She bought 200 shares of Reading, total value \$30,000, and made \$300 on the daily rise. Then she lost more than she made in the same stock later in the same week. And so on thru many small deals.

As fortune was coming slowly, she tried to correct it by bolder ventures. In three weeks she traded in \$155,000 worth of stocks, but neither gained nor withdrew a dollar of the original \$1000, which up to early in the year remained intact. Intentionally, however, Reading, American Radiator, Union Pacific, Utah Copper, Smelters, U. S. Steel, Common, all were called to the rescue, but the attack failed. In eight days of January 3 to January 13 of this year, \$21,975 was altered to the rescue, but the attack failed. \$1000 bill she had carried in her pocketbook to the broker's office.

Late in January the thousand dollar note came to the weather. The storm longer, and Miss McGowan was asked for more margin. This was not forthcoming and consequently the account was closed.

At the hearing now going on before Judge Rooney it does not appear that Miss McGowan at any time seems to have any opportunity to retire with any material winnings.

## BANK RECORD FOR THE WEEK ACROSS LINE

Bank exchanges this week make the most satisfactory comparison with both preceding years for a considerable period, the total at all leading cities in the United States, as compiled for Dun's Review, amounting to \$2,962,218.72.

A gain of 12.6 per cent., as compared with the same week last year and of 10.2 per cent. as compared with the corresponding week in 1910. New York City reports considerable expansion, increases appearing at the centre of 15.4 per cent. and 11.5 per cent. respectively, while the gain over a year ago is in part due to more active cause very slightly affects the comparison with 1910. Average daily bank exchange for the four weeks to date are given below for these years:

	1912	1911	1910
July	\$34,011,000	\$30,675,000	\$28,000,000
June	\$38,708,000	\$35,000,000	\$32,000,000
May	\$39,250,000	\$36,500,000	\$33,000,000
April	\$39,250,000	\$36,500,000	\$33,000,000

## DORMANT TRADE IN WALL STREET

New York Market Moves in Dull Fashion at Week End — Price Changes Are Small.

NEW YORK, July 13.—Developments in the stock market during today's two hour session were few and unimportant. St. Paul, which was the most prominent feature of the preceding day, was again subjected to selling pressure which sent it below par. Other grain carriers also showed weakness. Later St. Paul recovered to a level well above yesterday's final quotations, whereupon the general list.

Trading was at low ebb, however, having all the usual midsummer characteristics, albeit the outside news affecting stocks was fairly encouraging. The mercantile agents reported steady improvement in most lines of business and in various parts of the country, while a further reduction in the number of coal cars indicated increased activity in that industry.

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## CLEWS SAYS TREND IS DOWNWARD

The investment demand for securities since July 1 hardly reached expectations, the inquiry for bonds having materially subsided. Foreign markets as well as our own show symptoms of congestion, following recent enormous security issues, and it is satisfactory to observe that there has been at least a partial cessation of the latter. The present outlook for this market is for moderate activity with limited fluctuations in either direction. Intrinsic conditions continue sound and encouraging, so, while the trend at the moment seems towards lower prices, there is no reason to anticipate any sharp break in the market—Henry Clews.

**Imperial Bank of Canada**  
DIVIDEND NO. 88.  
Notice is hereby given that a dividend at the rate of twelve per cent. (12 per cent.) per annum upon the Paid-up Capital Stock of this institution has been declared for the three months ending 31st July, 1912, and that the same will be payable at the Head Office and Branches on and after Thursday, the 1st day of August next.  
The transfer books will be closed from the 17th to the 31st July, 1912, both days inclusive. By order of the Board.  
D. R. WILKIE, General Manager.  
Toronto, 26th June, 1912.

MONTREAL STOCKS.		WALL STREET COMMENT.	
MONTREAL, July 13.—Transactions on the stock exchange up to noon today follow:		Charles Head & Co. to J. E. Osborne.	
Power—97 1/2 at 23 1/4 to 23 1/2.		London prices were generally higher this morning, the chief exception being St. Paul, which was a point to the bad. Our market opened steady, St. Paul receding to the parity of London, 98 3/4, then slightly recovering to 100 1/4.	
Sao Paulo—195 at 25 1/4 to 25 1/2.		It is not believed that the St. Paul directors, in view of the excellent crop prospects, and in remembrance of the accumulated surplus, will allow the dividend to be cut below the present 5 per cent. rate. Closing prices showed gains throughout the list. The bank statements from now on should improve feeling stocks, as it is realized that a 27.6, 000 decrease in loans and increase of 218,175 in reserves is in line with expectation. Money rates are slightly firmer for time, as it is realized that there will be great demand this fall for crop moving. We still feel that the lethargic condition of speculation does not warrant buying, except on weak spots for turns.	
Cement—100 at 28 1/2.			
Rio—125 at 14 1/4 to 14 1/2.			
C.P.R.—100 at 36.			
Mexican Power—23 1/2 at 145.			
Detroit—25 at 89 1/2.			
Cement, pref.—17 at 92.			
Richfield—10 at 117 1/2.			

SOUTHERN ISSUES IN LONDON.		CANADIANS IN LONDON.	
Messrs. Ballie, Wood & Co. received the following figures by cable (Canadian equivalents):		Chas. Head & Co. (J. E. Osborne), report quotation on Canadian issues in London as follows:	
July 12	July 13	Wed. Thur. Fri. Sat.	
Rio	148 1/2	148 1/2	148 1/2
Sao Paulo	238 3/4	238 3/4	238 3/4
Mexican Power	23 1/2	23 1/2	23 1/2
Mexican Tram	12 1/2	12 1/2	12 1/2
do bonds	109 1/2	109 1/2	109 1/2
Mexican P. bonds	98 1/2	98 1/2	98 1/2

BANK STATEMENT.	
NEW YORK, July 13.—The statement of the actual condition of leading house banks for the week shows that the banks hold \$10,708,850 reserve in excess of legal requirements. This is an increase of \$18,175 in the proportionate cash reserve, as compared with last week. The statement follows: Daily average—	
Actual condition—Loans, decreased \$27,000; specie, increased \$5,028,000; legal tenders, increased \$2,338,000; net deposits, decreased \$24,267,000; circulation, decreased \$120,000; excess lawful reserve, \$2,514,850; increase \$1,243,650.	
Summary of state banks and trust companies in Greater New York not reporting to the New York clearing house—Loans, increased \$12,433,200; specie, increased \$4,774,800; legal tenders, decreased \$23,200; total deposits, increased \$2,602,000.	

# Fortier & Kilpatrick, Limited

Incorporated under the Dominion Companies Act. Licensed to do business in the Province of Ontario.

Authorized Capital ..... \$500,000.00  
Divided into 2500 shares of \$100.00 each. All Treasury Stock.  
Present Offering—at par ..... \$150,000.00

**DIRECTORS AND OFFICERS:**  
THOMAS MILLS, President, Banker, Kingston, Ont.  
JOHN H. HURDSON, Vice-President, Manufacturer, Toronto, Ont.  
G. R. C. MERRIAM, Secretary-Treasurer, President Traders, Ltd., Toronto, Ont.  
JAMES AITCHISON, Barrister, Toronto, Ont.  
W. E. WHITEHEAD, Manufacturers' Agent, Toronto, Ont.

**HEAD OFFICE** ..... TORONTO, ONT.  
**TRUSTEES:**  
The Prudential Trust Co., Ltd., Home Bank Building, 5 King Street West, Toronto.  
**SOLICITORS** ..... Masten, Starr, Spence & Cameron.  
**BANKERS** ..... The Home Bank of Canada.

Fortier & Kilpatrick Ltd., has been incorporated for the purpose of taking over the patent rights and sole right to manufacture in the Province of Ontario—excepting Port Arthur and the territory lying north of the C.P.R. between Port Arthur and Mattawa, cement sewer pipe with the "Thomas Glazed Cement Sewer Pipe Machine".

## Trojan Partitions and Ceilings Stonewood Plastic Flooring Sarco Asphalt and Waterproofing

## The Thomas Glazed Cement Sewer Pipe

The desirability of the use of concrete for sewer pipes has been recognised by Municipal Engineers for a number of years, but, owing to the expense of manufacture by hand, a pipe could not be manufactured to compete in price with the vitrified clay pipe. This has now been overcome by the invention of the Thomas Trojan Partitions and Ceilings, Stonewood Plastic Flooring, Sarco Asphalt and Waterproofing. This is provided by the fact that such cities as Port Hope, Ont., Tacoma, Wash., Vancouver, B.C., Moose Jaw, Sask., Calgary, Alta., Regina, Victoria, B.C., Salt Lake City, Denver and Billingham are using Thomas Glazed Cement Sewer Pipes almost exclusively. Saskatchewan and Moose Jaw have ordered nearly twenty-five miles of pipe. In Vancouver over three hundred men are now employed laying Thomas pipes. Recent contracts in Portland, Ore. total nearly \$300,000.00. Wherever introduced, the Thomas pipe has supplanted the clay pipe, both on account of price and of superiority, and with much more favorable conditions of labor, and the lower cost of cement, the same result must obtain in Ontario. This province has been an exceedingly profitable field for the manufacture of Vitrified Clay Pipe and with the tremendous development in Toronto and elsewhere, it is assured that the plant of Fortier & Kilpatrick will be taxed to the fullest capacity.

The Company will also engage in the manufacture of Trojan Partitions and Ceilings and Stonewood Plastic Sanitary Roofing. These products, originally of English invention, have proven successful wherever adopted. Some of the contracts fulfilled and under way in the west now are:

The Selkirk Asylum, Minnedosa Jail, Regina General Hospital, Brandon Jail, St. Boniface Seminary, Calgary, Alexander Hotel, Calgary, Brewery, Winnipeg, Grain Exchange, Winnipeg, Patrol Station, Winnipeg, Fire Hall, Saskatoon, Princess School, Saskatoon, Queen's Hotel, Saskatoon, Club House, Portage la Prairie, Power House.

Fortier & Kilpatrick Ltd., act as sole agents for the sale and manufacture in Ontario of the products of the Standard Asphalt and Rubber Co., of Chicago, Ill.

**PAVING ASPHALTS**  
Sarco Mineral Rubber Asphalt Cement.  
Sarco Asphalt Cement.  
Sarco Asphalt Binder.

**WATERPROOFING ASPHALTS**  
Sarco Mastic Asphalt Floor.  
Retractor Compound.  
Insulation.

**Mineral Rubber Pipe Coatings.**  
Asphalt Roof Cement.  
Brick or Block Pavements.

In the west these products are now being used in the construction of—The G. T. R. Shops at Transcona; Five Subways of the Midland Ry. into Winnipeg; C. P. R. Power Shops, Winnipeg; Baggage Station, Calgary; Union Depot, Winnipeg.

The Company has acquired sand and gravel pits and site for plant on the C. P. R. near Toronto. The Directorate estimate that, on a conservative basis, the net profits should be from 25 per cent. to 40 per cent. on capital invested.

Subscriptions are payable to Prudential Trust Co., Limited, as follows:

- 25 per cent. on application.
- 25 per cent. in 30 days.
- 50 per cent. in 60 days from date of application.

On request we will be pleased to furnish additional information.

## G. E. OXLEY & COMPANY

Financial Agents and Brokers

Tel. Main 2246-7 Union Bank Building, Toronto

**THE CANADIAN BANK OF COMMERCE**  
Paid-Up Capital, \$15,000,000. Rest, \$12,500,000.  
**Drafts on Foreign Countries**  
Every branch of the Canadian Bank of Commerce is equipped to issue on application drafts on the principal cities and towns of the world, drawn in the currency of the country in which the drafts are payable.  
This Bank has unexcelled facilities for handling every description of banking business throughout the world. 136

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Member: Toronto Stock Exchange  
ORDERS EXECUTED ON ALL LEADING EXCHANGES  
16 KING STREET WEST, TORONTO

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INVESTMENT AGENTS.  
24 Toronto Street.  
**LYON & PLUMMER**  
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Securities dealt in on all Exchanges. Correspondence solicited.  
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**J.P. BICKELL & CO.**  
Members Chicago Board of Trade  
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**GRAIN**  
Correspondents of  
**FINLEY BARRELL & CO.**  
Members All Leading Exchanges.  
302 STANDARD BANK BLDG.  
KING AND JORDAN STS.

**JAMES McINNIS STOCK EXCHANGER**  
New York, Stock, Grain, Cotton, Petroleum, United States, Bond, Foreign, Exchange, Brokerage, Commissions, Collected, Flows, Adelaide, St. St. St.  
**DIVIDEND NOTICES.**  
**The Mexican Light & Power Company, Limited**  
Notice is hereby given that a dividend of one per cent. (1 p.c.) has been declared on the ordinary shares in the capital stock of the Mexican Light and Power Company, Limited, payable on the 15th day of July, 1912, to the holders of record at the close of business on the 8th day of July, 1912. That the transfer books of the company for the ordinary shares be closed from the 8th day of July to the 15th day of July, 1912, both days inclusive. By order of the Board.  
W. E. DAVIDSON, Secretary.  
Toronto, Canada, 26th June, 1912.

**DOMINION COAL CO., LIMITED**  
PREFERRED STOCK DIVIDEND NO. 39.  
Notice is hereby given that a Dividend of Three and One-Half Per Cent. upon the Preferred Stock of the Dominion Coal Company, Limited, has been declared and payable last August, 1911, to the shareholders of record at the close of business on Thursday, 18th July instant. By order of the Board of Directors.  
C. S. CAMERON, Secretary.  
Montreal, 10th July, 1912.

## C. P. R. in Lead in London Market

LONDON, July 13.—Money was in good demand, and discount rates were steady to-day. The attendance was small at the stock exchange, and trading was light. Prices generally were inclined to sag for lack of support, but Diamond, Rubber and Marconi shares hardened a fraction. American securities opened steady, with prices around parity. Later the list advanced under the lead of Canadian Pacific, and closed steady, with values ranging from 1/4 to 1 1/4 higher than yesterday's New York closing. Chicago, Milwaukee and St. Paul shares were weak exceptions and closed 1/8 lower.

## ACTIVITY IN ALL TRADES IN THE WEST

Winnipeg reports to Bradstreet's say: "Since the somewhat extended period of drought was broken general business has assumed a much more optimistic air. The crop outlook is exceedingly encouraging although more rain in some districts would still be welcome. The opening of the exhibition has brought large numbers of out-of-town merchants to the city. They will combine business with pleasure and will leave a large amount of orders with the wholesale houses. Summer lines of drygoods, etc., are moving freely and the sorting trade is quite good. Hardware houses report an exceedingly heavy demand for general lines. Collections are generally fair."