Corporation Securities Market

Stock Values Again Undergo Considerable Impairment — Selling Pressure Increased—Riordon Bonds Offered in New York on 8.10 Per Cent. Basis—Mount Royal Hotel New Financing—Barcelona Traction Securities Offered in London

CANADIAN stock values again underwent considerable impairment this week. As far as known, there was no particular change in the general industrial and financial situation, but the stock markets here have become sensitive enough to yield to the most insignificant reports. Early in the week the report that the steel merger had been abandoned, brought about declines in several issues, among which the Dominion Steel and Canada Steamships were the most notable.

The break which occurred on December 21, however, was more serious in its effect. Prices suffered heavy declines in nearly all issues, and the only influence which can be accounted for was the collapse in Wall Street. The New York market, like in Canada, is ready to discount any bearish news, no matter how small, but fails to work in any other direction. The theory that it was the money situation which was holding the stocks back last summer, was apparently wrong, as money is becoming easy, but there is no reflection of this in present prices. Easy rates are essential to a constructive market, but they have very little influence in a movement such as at the present.

Following the break on the Montreal exchange on Tuesday, it is understood that a meeting of some of the largest brokerage houses in the city met to consider plans for the protection of stocks and the prevention, as far as possible, of further impairment in values. The meeting was not under official sanction of the Stock Exchange, and is probably preliminary to others, and nothing was given out as to what transpired. It is felt that stocks are already far below their intrinsic value in the majority of cases, and should not further be made a target for bears.

Selling Resumed

The dullness which kept the prices fairly steady last week, was replaced by rash selling, and it was because of this that values went so low. Securities were thrown on the market apparently without regard to price. The following are the figures of day-to-day trading at both Montreal and Toronto:—

	Montreal.		Toronto.	
	Listed stocks.	Bonds.	Listed stocks.	Bonds.
Thursday	8,206	$ 187,800	2,643	$ 615,960
Friday	15,211	551,200	2,897	876,650
Saturday	8,648	223,800	2,309	239,650
Monday	14,624	170,150	2,583	293,300
Tuesday	17,591	175,218	2,150	287,150
Wednesday	24,743	362.850	3,072	441,850
Totals	89,023	$1,671,018	15,654	$2,754,560

The figures in the previous week were: Montreal, listed stocks, $30,907; bonds, $2,024,280; Toronto, listed stocks, 11,578; bonds, $2,549,250.

Riordon Bonds Sell Well

Offering was made this week in the United States of $6,500,000 8 per cent. 20-year first mortgage bonds of the Riordon Co., Ltd., by a syndicate composed of the Royal Securities Corp.; Harris, Forbes and Co., Inc.; E. H. Rollins and Sons; Parkinson and Burr, and Coffin and Burr. The securities are selling at 99 to yield 8.10 per cent., and in view of the Christmas season the offering is meeting with a good reception.

The new financing rounds out the Riordon Company's program, commenced earlier this year, with an issue of 8 per cent. preference stock, made by the Royal Securities Corporation. The proceeds from the sale of the bonds will place the pulp and paper enterprise in a comfortable position with respect to working capital, the issue being made partially to reimburse the company for the expenditure of approximately $14,000,000 on its Kipawa mill, which has now been completed and is operating under most profitable conditions.

Mount Royal Hotel Company Bonds

To meet the urgent demand on the part of residents, transportation and other business interests of Montreal, commercial travellers and tourists, it is proposed to construct upon the most desirable site in the city a modern fire-proof hotel of 1,036 rooms. This hotel, the Mount Royal, will be operated as a link in the chain of twenty hotels in Canada and the United States which are managed by the United Hotels Company of America.

In connection with the construction of this hotel, a company has been formed under the name of the Mount Royal Hotel Co., Ltd., with a capitalization as follows: 8 per cent. debentures to be converted into 8 per cent. cumulative preferred stock, $4,000,000, authorized and issued; common stock par value $100, $5,000,000 authorized and issued; 8 per cent. preferred stock, $5,000,000 authorized, of which $4,000,000 is to be used in payment of a like amount of debentures and $1,000,000 to remain in the treasury of the company. This capital to be subject to a first mortgage or bond issue of $3,000.000, to be increased to $4,000,000 on completion of a 400-room addition. It was found impossible to make a preferred issue at the outset with any guarantee of a dividend payment, which can be done with debentures with interest guaranteed, or practically so.

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UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison, Jr., & Co., Toronto
(Week ended Dec. 21st, 1920.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Gen. Mort. 6's...	....	89	Cuban Can. Sugar. com.	12	18.50	Marconi Wireless..	1	2.50	Sterling Bank..........	109	115
Alta. Pac. Grain....com.	140	....	" " " ..pref.	....	58	Massey-Harris	90	99	Sterling Coal.......com.	19	23.50
" " " ....pref.	75	83	Davies, William ....6's	94	99	Mattagama Pulp...pref.	70	80	Toronto Paper.......6's.	80	89
American Sales Book.6's	92	....	Dom. Iron & Steel 5's 1939	64	69.50	" " ...com.	....	40	Toronto Power.5's (1924)	85	91
Belding, Paul.......pfd.	....	80	Dom. Power....... com.	....	43	Mercantile Trust........	91	....	Trust & Guar..........	65	72
Brand'm-Henderson.pfd.	83	93	Dunlop Tire........pref.	88	92.50	Mexican Nor. Power..5's	8	12	United Cigar Stores com.	.40	....
British Amer. Assurance	8	12.50	" " ....6's.	92	98	Morrow Screw........6's	84	88	" " " pref.	1.70	....
Burns, P. 1st Mtge. 6's..	95	101.50	Eastern Car..........6's	85	91.50	Murray-Kay.........pfd.	....	70	Western Assurance......	9	11.50
Can. Crocker Wheeler pf.	70	....	Famous Players.8% pfd.		82	National Life...........	160	....	Western Can. Pulp.com.	25	30
Can. Machinery .... com.	20	29	Goodyear Tire.. pref....	76	82	North American Pulp...	4.25	5.25	Western Grocers....pref.	65	70
" " ......6's.	73	80	G'rd'n, Ironside & Fare 6's	87	93	Nova Scotia Steel 6% deb	70	77	Whalen Pulp.......com	12.50	19
Can. Oil ....com.	62	70	Gunns, Ltd ....pref.	....	86	Ont. Pulp..........6's	92.50	96	" " ....pref	....	50
Can. Westinghouse......	101	109	Harris Abattoir........6's	88	92.25	Page Hersey........pref.	84	....	....	....	....
Can. Woollens......com.	....	44	Home Bank.............	98	101.50	Peoples Loan & Savings.	....	80	....	....	....
" " ......pref	....	75	Imperial Oil..........	105	112	Riordon..com. (new stk.)		24	....	....	....
Cockshutt Plow 7% pref.	52	57	King Edward Hotel..7's.	72.50	77	" ..pfd. "	....	74	....	....	....
CollingwoodShipb'dg.6's	90	....	London Loan & Savings.	84	....	R. Simpson.........pfd.	74.50	77	....	....	....
Crown Life Insurance...	75	....	Manufacturers Life.....	170	200	South. Can. Power.pref.	68	73.50	....	....	....