

STOCK EXCHANGES

STOCK EXCHANGE THIS WEEK.

Activity in Steel and Coal—Asbestos Bond Issue— Rubber Competition—Market Outlook.

The situation in the United States compared with last week is little changed. Speculation is being carried on upon a moderate scale, the big traders giving a fair appearance of activity but the public are holding back. This year a large number of wealthy men of the United States will spend their summer vacations in foreign climes, and if the general market does not advance to a higher level it will necessarily have to fall back in order to admit the new buying element. Considerable depends upon the coming harvest. At present it is almost impossible to forecast what the result will be, but it is expected that the acreage of corn, which sells at a fair price on the market, will be greatly in excess of last year. The wheat crop is a little doubtful.

Steady improvement is being witnessed in industrial lines, and as was expected the railroads have turned heavy buyers and repairs deferred during the period of financial depression are now being made. Caution must be taken in regard to the money market. Loans have risen to the highest point on record, and reserves are rapidly decreasing, although still beyond the danger point. The banking resources are being steadily weakened by the outflow of gold. The exports for April were much in excess of last year, while the imports showed an increase of 25 per cent. compared with the same period last year. The tariff situation is exciting little interest.

Steel and Coal Active.

Steel and Coal stocks have been exceptionally active on the Toronto market this week owing to improved conditions in these two industries, and a statement of increasing business is expected from both Dominion Steel and Coal. During the week Steel reached 38 and Coal soared to 73¼. Nova Scotia has also made an advance. President Plummer in addressing a meeting of steel workers, referred to the splendid outlook for the future which should follow the development of the Dominion Iron and Steel Company's plant. Lake of the Woods advanced to 112½, and Mackay common touched 79¼, but fell back slightly. Toronto Electric's supply at 120 was exhausted, and the stock advanced on Saturday's price. The Shawinigan Water and Power Company for the first four months of the year showed a gross gain of \$14,401 over the previous year, and the stock is selling at 95½. Among the listed mining stocks Crown Reserve and Nipissing have advanced.

On the Vancouver stock market Western Coal and Coke has reached the highest point yet attained.

Stock Market Outlook.

"The stock markets of this country were so often disturbed by different occurrences during the period from 1902 to 1907," writes Mr. F. B. McCurdy, of Halifax, to the Monetary Times, "that a disturbed market came to be regarded as the normal one; consequently, the more normal condition of affairs, which has prevailed since the beginning of 1908, is in turn regarded in some quarters as an abnormal condition of affairs. The outlook is, from our standpoint, satisfactory, and providing that the market be kept fairly free from manipulation is likely to continue satisfactory.

No one really interested in financial affairs wishes to see securities sell far above their real value. Such a condition of affairs invites collapse. Were it not for the fact that a number of speculative accounts have been built up, in some securities, whose worth has not yet been demonstrated, we would say that the outlook for the market in the immediate future is all that can be desired. We think that the market will be higher during the coming six months.

Amalgamated Asbestos Corporation, Limited, bonds, bearing 5 per cent interest, are authorized to the extent of \$15,000,000, of which \$7,500,000 are needed for future requirements, and \$7,500,000 are to be issued. Preference stock to the amount of \$1,875,000, at the rate of 7 per cent. cumulative, is to be issued, and common stock to the value of \$8,125,000. These are to be listed on the Montreal Stock Exchange about June 30th.

The Executive Council of the Island of Porto Rico granted to the Porto Rico Railways Company on May 6th, a new franchise for a period of fifty years, or 21 years longer than the previous franchise. The stock is now quoted around 47½.

According to the weekly letter of Messrs. McCuaig Brothers, of Montreal, recent developments in connection with the Toledo Railway and Light Company seemed to indicate a fair probability of its being extricated from its present difficulties. The circular goes very thoroughly and fairly into the company's position.

Montreal Stock Market.

Monetary Times Office,

Montreal, May 27th.

The statement was made by Mr. R. E. Harris, president of the company, at the annual meeting, held at New Glasgow, that the directors of the Nova Scotia Steel and Coal Company will declare a dividend upon the completion of their present financial arrangements, will be welcomed by many of the shareholders of that company. The shareholders have had their patience sorely tried by the ups and downs of the stock in the past. Dividends were declared and then passed again, the stock ran away up in price and new issues were underwritten at figures far above those prevailing to-day. A year ago the dividend was again passed, and since that time the shareholders have been receiving no interest on their investment. The last dividend was at the rate of 6 per cent. per annum, and the opinion is frequently expressed that even if the directors only declared four or five per cent. and kept up the payment, it would be more acceptable than six per cent. paid for a short period and then passed. Under good buying the stock shows an upward tendency at around 64, which figure it had reached previous to the meeting. Particulars of the financing are given elsewhere.

Coming Competition in Rubber.

One of the features of the market this week was the advance in Soo, some good buying sending the price up to 138. Rubber stocks were active and strong, the impetus being the new developments in connection with the United States end of the deal. It is claimed that control had passed to the United States Rubber Corporation, but it is now announced (Continued on Page 2136).

CLARENCE J. McCUAIG

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