

INDUSTRIAL SECURITIES AND MUNICIPAL BONDS.

The effect upon the municipal bond market of the large issues of industrial securities during the past few years, does not appear to have been a material one.

In the first place, the majority of the larger buyers of municipal debentures do not invest in industrial securities. Secondly, industrial bonds or stocks do not constitute a legal investment by trustees. Thirdly, the private investor, who would naturally absorb a great portion of these industrial issues, has not been a very large factor in the municipal bond market in past years. As a matter of fact, the private investor has shown a growing interest in municipal bonds recently, especially since the development of the Western provinces, and the conservative investor's assurance that debentures of Western municipalities constitute a high-grade security, and, at the same time, yield a very attractive return, consistent with safety. While it is certain, thinks Mr. Moore, that bonds or stocks of substantial industries will attract a certain amount of funds that would otherwise be put into municipal debentures, we do not think that this will be of sufficient magnitude to materially affect the dealings in the latter class of security.

The quietude experienced in the municipal bond business during the last eighteen months or two years is largely attributable to the substantial growth of the prairie provinces, which has been so satisfactorily viewed by institutions and others with funds to loan, combined with the higher yield rate obtainable, that considerable funds have been attracted to mortgage loans in that part of the country which in former years have been put into municipal debentures.

LAURENTIDE PAPER COMPANY, LIMITED, AND MONTREAL COTTONS, LIMITED.

Securities of the Old Companies—Some Interesting Figures.

Monetary Times Office.
Montreal, September 6th.

Two stock distributions have taken place in Montreal recently, one being in connection with the Laurentide Paper Company, and the other with the Montreal Cotton Company. In each case the shareholders receive a bonus of 100 per cent., being a present of one share of new stock for each share standing on the books opposite their names.

The plan followed was to incorporate a new company with a larger capitalization, and to offer two shares of stock in exchange for each share of stock held in the old company. In the case of the Laurentide Paper Company, the name of the company is to be the Laurentide Company, Limited, and the name given to the Montreal Cotton Company is Montreal Cottons, Limited. The following were the securities of the old Laurentide Paper Company, Limited:—

	Authorized.	Issued.
Common		\$2,705,600
Cumulative Preference	\$3,800,000	\$94,400
	\$3,800,000	\$3,600,000
Bonds, 6 per cent.	\$1,200,000	\$1,200,000
Less Redeemed		252,695
Outstanding		\$947,305

Laurentide Company, Limited.

	Authorized.	Issued.
Stock		\$7,200,000

Earnings Have Been Increased.

During the year ending June 30th, 1910, the net profits amounted to \$516,304, or equal to 14.33 per cent. on the total issued capital of \$3,600,000. It is understood that during the past year these earnings have been considerably increased. On the above basis, were the capital doubled the earnings would have amounted to 7.17 per cent. On a basis of earnings in 1909-10, the entire stock now being issued to the Laurentide Company will show earnings of upwards of 7 per cent. In 1907 the common stock of the company could have been purchased as low as 80. In the following year it advanced to 112½; in 1909 the high record was 130; in 1910

the dividend was increased from 7 per cent. to 7½ per cent., and the stock sold up to 170; and by the end of March of this year it reached 212 on the local market. Meantime the preferred stock also had gradually advanced from around par in 1907 to 211½ during the spring of the present year.

The securities carried by the old Montreal Cotton Company were as follows:—

	Authorized.	Issued.
Common Stock	\$4,000,000	\$3,000,000
Bonds, 5 per cent.	2,000,000	966,943

Montreal Cottons, Limited.

	Authorized.	Issued.
Common Stock	\$5,000,000	\$3,000,000
Preferred, 7 per cent.	5,000,000	3,000,000

During the past three years the Montreal Cotton Company has been paying 8 per cent. on its preferred stock, this having been increased from 7 per cent. The net profits for 1910 were \$295,024, being 8.68 per cent. on the common stock. The surplus carried forward for the year amounted to \$20,000, or .68 per cent. on the common stock. Accepting the earnings of 1910 as a basis for the future, the earnings on the stock of the Montreal Cotton Company, would amount to 4.34 per cent. on the entire \$6,000,000 issued, or, after paying the 7 per cent. dividend on the \$3,000,000 preferred which is to be given as a bonus, there would remain but 1.68 as dividends against the common stock.

Big Surplus is Shown.

The strong feature in connection with the financial statement of the Montreal Cotton Company was the fact that a surplus of rather more than \$2,000,000 was shown. This was equal to 66 2-3 per cent. on the capital stock of the company. This surplus has gradually accumulated for some years past. The statement of the earnings of the company during the past five years is as follows:—

	Sales.	Profits.	Earned.	Paid.
1905	\$2,615,000	\$315,000	10.50%	7%
1907	2,982,000	454,200	15.14%	7%
1908	1,882,000	251,666	8.38%	8%
1909	2,937,140	284,542	8.43%	8%
1910	3,194,220	295,024	8.68%	8%

DEBENTURES AWARDED.

Village of Pangman, Sask.—\$4,000 6 per cent. 15-years to Messrs. Nay & James, Regina.

Napanee, Ont.—\$4,500 5 per cent. 20-year debentures to Messrs. Wood, Gundy & Company, Toronto.

Small Alberta and Saskatchewan Schools.—\$6,000 6 per cent. 10 years to Messrs. Nay & James, Regina.

Mont-Laurier, Que.—\$22,000 5 per cent. 40-year debentures to Canada Investment, Limited, Montreal.

Medicine Hat, Alta.—\$83,000 5 per cent. 20-year debentures to Messrs. Wood, Gundy & Company, Toronto.

Taber, Alta.—\$16,000 5 per cent. 10 and 20-year debentures to Messrs. Wood, Gundy & Company, Toronto.

Wainwright, Alta.—\$35,000 5½ per cent. 20 instalments, to Messrs. Ontario Securities Company, Limited, Toronto.

Walkerville, Ont.—\$107,186.72 4½ per cent., \$28,186.72 in nineteen instalments, and \$79,000 in twenty instalments to Messrs. Dominion Securities Corporation, Toronto. The total assessment is \$5,072,956, and the existing debenture debt \$246,377.41. The general rate is 8 mills.

Wetaskiwin, Alta.—\$12,500 5 per cent. 20-years. \$6,000 for electric light purposes, and \$6,500 for additional fire protection to Messrs. Emilius Jarvis & Company, Toronto. Wetaskiwin is an important junction point on the Calgary and Edmonton branch of the Canadian Pacific Railway, and is the terminus of the Winnipeg, Saskatoon and Wetaskiwin line of that railway.

CANADIAN WESTINGHOUSE COMPANY, LIMITED.

DIVIDEND NO. 27 AND BONUS.

The regular quarterly dividend of one and one-half per cent. (1½%) has been declared upon the outstanding capital stock of the company, also a bonus of one-half of one per cent. (½ of 1%), both payable October 10th, 1911, to shareholders as of record at the close of business, September 30th, 1911. Transfer books will be re-opened October 10th, 1911, at ten o'clock a.m.

Cheques will be mailed to shareholders.

By order of the Board.

JOHN H. KERR.

Hamilton, Canada,

September 7th, 1911.

Secretary.