

Corporation Securities Market

Trading Dull and Price Movements Irregular on Canadian Exchanges—Issue of Western Canada Pulp Bonds to be Made Shortly—Beaver Motor Truck Stock Offering Announced—Additional Spanish River Stock Listed—Canadian Car Company Proposes to Issue Bonds

BUSINESS on the New York exchange for the week ended August 18th was dull and price movements irregular, with a tendency at the close to lower levels. Weakness in the commodity markets was responsible for declines in certain industrials, while the reports of the unsettled political situation in Europe also had some effect. The credit situation was the most important factor, however. Call loans, which were easy at 6 per cent. during the early part of the week, rose to 7 per cent and closed at 9 per cent.

Actions of Canadian stocks during the week ended August 18th were very much the same as those of New York. Business was comparatively dull, while the price movements were irregular. Most issues, however, in both Montreal and Toronto, retrieved to a certain extent the losses which they had sustained in the past two weeks. It is confidently thought in stock circles that the worst has been seen in the stock market. This does not mean, however, that there is no further need for caution or that the bull market will be immediately resumed, but that the bearish tendencies are excluded for the time at least, and that any change from present conditions might be for the better.

Beaver Motor Truck Stock

An offering of 8 per cent. cumulative retirable preferred stock of the Beaver Motor Truck Corporation, of Hamilton, Ont., is being made by Morgan-Dean, Harris and Mulveney, Ltd., Hamilton. The authorized capital of the company is \$1,000,000, of which \$400,000 is preferred and \$600,000 non-retirable common. At the present time \$260,000 of preferred and \$426,500 of common will be issued. The offering is being made at \$100 per share, with a bonus of one share of common with every two shares of preferred.

The plant of the company is capable of turning out one hundred trucks per month. Estimated net profits on a production of 1,000 trucks per annum is \$250,000. The company will set aside 10 per cent. of its annual net earnings, after payment of taxes and preferred stock dividends, as a sinking fund for the retirement of its preferred stock.

Spanish River Stock Listed

Two additional blocks of securities of the Spanish River Pulp and Paper Co. were listed on the Toronto Stock Exchange on August 17th. They were \$1,750,000 common and \$3,143,000 of preferred. Of the preferred, \$2,394,000 represents the 42 per cent. accrued dividends, \$210,000 the 7 per cent. vouchers, \$289,000 the bonds' share in the adjustment and \$250,000 the adjustment of fractions. This brings the total preferred listing up to \$8,842,100.

The common listing is in provision for the terms of the note issue of last September of \$3,500,000. This issue was made to assist in the redemption of existing securities and provide new working capital, with the proviso that the underwriting firm could exchange half the amount of \$1,750,000 into common at parity at any time during the following three years. For this reason the new listing has been made, for advantage may be taken of the offer at any time, although to date only a small amount has been so converted. It is pointed out that this provision applies to the underwriters only and not to the individual holders of the 6 per cent. notes.

Capitalization Changes

A. A. Fournier, Ltd., have been authorized by an Act of the Ontario legislature to increase their capital stock from \$100,000 to \$500,000 by the creation of 4,000 shares of new stock, each share having a par value of \$100.

The proposal to issue ten-year 7 per cent. income bonds in lieu of cash to retire the dividend arrears on the preferred

stock of the Canadian Car and Foundry Co., which amount to 22½ per cent., will be discussed by the board of directors at a meeting to be held in Montreal on September 2nd next.

A small stock issue is being made to the public this week which may ultimately result in the formation of a new and most valuable industry in Canada. Playfair, Paterson and Co., members of the Toronto Stock Exchange, are acting in a brokerage capacity. The stock in question is that of the Jackson Drier Co., Ltd., capitalized for \$100,000, of which \$40,000 is held by the syndicate and only \$25,000 is being issued for public subscription. The company proposes to manufacture special drying machinery, which has been designed and patented by the company's president, W. S. Jackson.

The Montreal Stock Exchange official sheet of August 18th contained the announcement of the "calling" on August 21st of 65,000 shares of common capital stock of the Provincial Paper Mills, Ltd., of the par value of \$100 each, and of 17,000 shares of 7 per cent. cumulative preferred stock of par value \$100 each. This stock presumably represents the new stock of the reorganized Provincial Paper Mills Co., which in April voted a change in the company's capital whereby common shareholders would receive one and a half shares of new stock for each one of old held, and the preferred shareholders would receive share for share.

Western Canada Pulp Bonds

An offering of \$1,000,000 7 per cent. serial bonds, maturing annually from February 1st, 1923, to February 1st, 1940, of the Western Canada Pulp and Paper Co., will shortly be made to the public by Messrs. Graham, Sanson and Co., Toronto, at par, with a bonus of five shares of common stock with each \$1,000 bond.

The capitalization of the company is as follows: Common shares (no par value), 25,000 authorized, of which the total has been issued; 6 per cent. mortgage debenture stock, due February 1st, 1950, \$1,200,000, all issued, and 7 per cent. first mortgage bonds of \$1,000,000, which mature in annual series from February 1st, 1923, to February 1st, 1940. Application will be made in due course to list both bonds and stock on the Montreal and Toronto Stock Exchanges.

The company's plant is located on Howe Sound, about 25 miles from Vancouver, B.C. With the proposed additions and improvements, for which funds have been provided by the present company, the plant will have a minimum capacity of 40 tons per day, or about 12,000 tons per year, and will be capable of producing such result economically and in accordance with the latest practice. The company owns its townsite, which is located on navigable deep water, equipped with a dock 600 feet long, with sufficient depth in sheltered water for ocean-going vessels. The company has acquired a valuable asset in the water-power of Rainy River, the foreshore rights at the mouth of the Rainy River and 1,000 feet of waterfront on Thornborough Channel, Howe Sound.

The pulp mill of the company, it is estimated, will have a minimum capacity of 40 tons of pulp per day. It is the intention to work in conjunction with the pulp mill, saw-mills and to extend their operations to the manufacture of shingles and wood products of all kinds. The company's timber areas contain a large quantity of superior quality red cedar, which is adapted for the manufacture of the best class of shingles.

The Russian Soviet government will shortly open an office in Montreal, under the care of J. G. Obsol, to take charge of commercial relations with the Canadian government.