

Looking Backward

A Financial Review of the Year Which Has Just Closed

By NORMAN PATTERSON

APRIL.

CHIEF among the April features was the rise in Traders Bank stock. There were all sorts of rumours which finally simmered down to an amalgamation with the Royal Bank. When the announcement was made it was found that it was not a merger, but a purchase. The Royal bought the Traders, giving the shareholders 3 shares of Royal for 4 of Traders. The combined capital and reserve of the Royal was thus increased to 23 millions, making it the third largest bank in Canada.

The C. N. R. put the "Model City" townsite in Montreal on the market, as an adjunct to its tunnel through Mount Royal. Coquitlam, which is to contain the yards of the C. P. R., near Vancouver, was also put on the market. There was much talk of the navigation merger whereby Richelieu and Ontario absorbed Niagara Navigation. The Bank of Montreal increased its dividend from nine to ten per cent. The Montreal Street Railway and the Light, Heat and Power Co. were amalgamated under the name of the Montreal Tramways, with the necessary sale of bonds. Porto Rico Railways did some financing. Rio and Sao Paulo moved up the list, and a lot of insiders made money. This was the first indication of the merger which followed.

Bank deposits in Canada increased twelve millions. Bank clearings for the month were 714 millions, as against 556 millions in April, 1911.

MAY.

MAY opened up with a big advance in Rio and speculation of all kinds in both Rio and Sao Paulo. This was the more mature results of the contemplated merger. The Dominion Steel Co. issued seven millions of preferred stock in London, England, and claimed to have received subscriptions for four times that sum. They were lucky that they did not wait until November.

The Eastern Car Co. was formed and a considerable issue of bonds and stocks was made with the guarantee of the Nova Scotia Steel Co. Sawyer-Massey, of Hamilton, issued three-quarters of a million bonds for the development of their agricultural implement manufacturing. The Monarch Knitting Co. also issued the same amount.

The month was rather wet and cold and there was a great deal of speculation as to whether or not Canada would have a bumper harvest. It was shown that the western wheat acreage had been increased by 700,000 acres. This meant, with good weather, that there was a possibility of a western wheat crop of 200,000,000 bushels, or an increase

of 30,000,000 over 1911. Some people were foolish enough to prophesy an even higher return.

Deposits in the Canadian banks showed a tremendous increase and for the first time in Canada's history they passed the "billion mark." In this case billion means one thousand million, although the dictionary does not give a similar definition of the word. The bank clearings showed one of the largest increases of the year. The totals for May were 814 million as against 643 million for May, 1911. This is an increase of over twenty-six per cent.

JUNE.

THERE was considerable business done in June. The St. Lawrence Sugar issued two millions of bonds and Bell Telephone one and three-quarter millions. Imperial Bank increased its capital one million, and Standard Bank did likewise to the extent of half a million. Sterling Bank increased its dividend from 5 to 6.

The Spanish River Pulp and Paper Mills and the Ontario Pulp and Paper Company were united, two shares of the former equalling three shares of the latter. The capital of Spanish River was increased to 3 million preferred and 4 million common. This was one of the big things of the year. The mills are located at Espanola, Ont.

Bank clearings for the month showed a total of 764 million as against 605 million in 1911. Deposits were tired after their burst of speed in May and showed only a slight increase. They were, however, 130 million greater than in June, 1911.

JULY.

JULY was the warmest month of the year and consequently financial business did not show any remarkable features. Nevertheless July was a busy month. The railways, the factories, and the people generally were busy with the great increase in business which had come to everybody as the January prophets had foretold. When a business man took holidays he usually had to apologize to himself and to his business associates for slipping away from the brisk activities of every day.

The Tuckett Tobacco Co. was formed to take over the business of George Tuckett and Sons, Hamilton. This was one of the sanest of recent issues. There was no common stock bonus. The two million preferred was sold at ninety-five and the two million common at forty. These were very good prices considering that the money market had begun to stiffen.

Toronto sent its Mayor and City Treasurer over to "Old Lunnnon" to float six million of four per cent. debenture stock. The money bags were tied up pretty tight by the time they got there and they failed to get the combination. This incident created

FEBRUARY.

ONE of the events of February was a banquet to Senator the Hon. Geo. A. Cox, on the occasion of his fiftieth anniversary with the Canada Life Assurance Co. Since this event Senator Cox has been taking less active part in the various companies with which he is connected, and one of the results has been that his son, Mr. H. C. Cox, was made president of the Imperial Life. However, the Senator's advice will still be available for the companies with which his name has been associated.

In the same month, Mr. J. K. Macdonald became president of the Confederation Life. There was talk of a big pulp merger in Quebec which never came off. An effort was made to boom mining stocks, but the year proved a very poor one for the mining boosters. The Smart Manufacturing Co., of Brockville, and two Welland foundry companies, were amalgamated under the name of Canadian Foundries and Forgings.

Early in the month Canadian Pacific stock began to boom and this was hastened by a report of earnings for the first week, which showed an increase of 87 per cent. over the same week in February of the previous year. The boom continued all month. Winnipeg Electric stock had somewhat the same history, and towards the end of the month the directors announced a new stock issue. About this time also came the decision of the Privy Council which made the company independent of civic control. It is pleasant to be able to record that Winnipeg Electric has taken no advantage of that decision and is working harmoniously with the municipal corporation.

The bank deposits in Canada went up four millions. The bank clearings were 612 millions, as compared with 478 millions in February, 1911. All railways showed considerable increase in earnings.

MARCH.

THE general stock market was rather quiet during March. The Toronto General Trusts increased its dividends to ten per cent. Richelieu and Ontario raised its dividend from six to eight per cent. Quebec Railway, Light, Heat and Power Company passed its dividend and this created quite a flurry in Quebec financial circles. Among the bond issues of the month were Dunlop Tire, a half-million; P. Lyall and Sons, one and a quarter millions; Ontario Pulp, one and a half millions; and a small issue of Ottawa Electric. The chief stock issue of the month was that of the Canadian General Electric, \$1,900,000 at 103. International Milling Company acquired the Calgary Milling Company and several Alberta elevators.

There was talk of higher money rates, which talk was fully realized before the year ended. The Canadian Northern put the Port Mann townsite on the real estate market. Bank clearings for the month were 653 millions, as against 577 millions in March, 1911. Bank deposits in Canada increased sixteen millions.

CANADA'S CHIEF STOCK EXCHANGE



The Montreal Stock Exchange is the oldest and may be considered the most important exchange in Canada. Its architecture corresponds to the dignified, somewhat austere piles of stone that made older Montreal before even the Bank of Montreal was built. It is situated in the heart of the financial district, about lower St. James St. and Notre Dame, and as may be noticed in the illustration—taken from a painting—is close to the picturesque and impressive towers of the great parish church of Notre Dame.