

Investment Series — Talk No. 4

Investment Advice

The investment of your money is too vital a matter for you to purchase stocks or bonds entirely on the impulse of surface market quotations. Invest on *conditions*—not alone on their reflection in prices.

Seek the advice of a sound investment house—one that has the facilities for determining investment values.

Such advice concerns itself with security and income. It is based on a knowledge and study of the prosperity and financial soundness of the enterprises back of their securities. As an investment house—we *advise*.

Our Security Reports

are sent from time to time, as issued, to our clients and to those who, as possible investors, wish to keep informed on securities dealt in on all markets. May we not put your name on this list? It will obligate you to nothing and will be of undoubted value to you.

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MONEY AND MAGNATES

A Far-Seeing President.

A STRATEGIST is a man who keeps one or two well conceived plays concealed in the inner recesses of his mind, doesn't blab, and when the psychological moment arrives comes out with them and dazzles everybody.

Sir Thomas Shaughnessy has just been giving a strategic exhibition in the matter of the new C. P. R. stock issue. Six weeks ago, it became noised



SIR THOMAS SHAUGHNESSY, C. P. R.'s President, has been upsetting the Calculations of some of his Critics.

abroad that the railroad had asked parliament for permission to increase its stock from \$200,000,000 to \$260,000,000. A great howl of criticism arose throughout the entire Dominion. The West, in the throes of rate troubles, urged that the new stock programme of the road meant an aggravation of the rate question, because additional dividends to pay the interest on the increase of capital would have to come partly out of the pocket of the already oppressed prairie farmer. A general conviction of the Canadian press and public was that frequent capital issues by such public service corporations as the C. P. R. involved the solution of that great national problem of how to secure cheap transportation.

The critics of C. P. R.'s financial policy wrote learned economic disquisitions, solemnly warning the Ottawa Government to censor closely this proposed new issue of sixty millions. What would Ottawa do about it? The centre of interest shifted to the Finance Department in the Capital. The interest was world-wide. Paris,

Berlin, London, as well as Montreal, Toronto, Winnipeg and New York, are strong supporters of Canada's greatest security. A universal speculative movement started in C. P. R., prompted by the uncertainty of the Dominion Government's plans with respect to C. P. R. The stock made new records on the exchanges.

Then came the meeting of the shareholders in Montreal, last week, to consider the proposed capital increasing. In the minds of the public this gathering was to be a mere preliminary to the review of C. P. R.'s ambitions by the Government. To the public, the examination of the company's proposals by Ottawa was to be the most tense scene.

But Montreal furnished the climax with Sir Thomas Shaughnessy carrying off stellar honours. C. P. R.'s president told the shareholders that Parliament had already granted their request. The newspapermen, breathless at his announcement, wired their papers that Ottawa had offered no opposition to C. P. R. plans. When telegrams of denial began to come in from the Government the mystery deepened.

All was explained when Sir Thomas stated that an Act of Parliament of 1892 gave the C. P. R. power to issue ordinary capital stock in lieu of consolidated debenture stock allowed by the Act. This power was one which so far had not been used by the road. It is one of those things remembered by far-seeing men like Sir Thomas for emergencies.

This is the second occasion within a month that canny Sir Thomas has upset public calculations. The critics have been upbraiding the road for not burying their rates under the jurisdiction of the Dominion Railway Commission. Sir Thomas one day in Winnipeg informed the press that for years the road had been under the Commission. He corrected an error in the public mind that the C. P. R. did not have to subject itself to the D. R. C. until it was paying ten per cent. dividends, by giving out the information that it was earnings, not dividends, which determined the company's amenability. And he did not deny that the C. P. R. was not earning more than ten per cent.

On and Off the Exchange.

Not Every Merger Successful.

MOST people seem to think that every time a merger is brought about the result is to make a great deal of money for somebody. Probably the amount of money made as the result of forming the merger is usually much over-estimated. Sometimes considerable money is made; sometimes the gain, for a time at least, is little. Mergers have their troubles the same as corporations and business men.

The Canada Furniture Manufacturers, Limited, has had difficulties in the working out of its plans. At the annual meeting, held in Toronto a few days ago, earnings for the year of \$165,983 were reported, but no dividend was declared, the surplus profits being applied to the improvement of plant and equipment. A special committee was appointed to discuss with the officers of the company the question of reorganization.

A reorganization of the Canadian Cereal and Milling Co. has been decided upon by the shareholders of the company. The result will be the formation of a new company to be known as the Canadian Cereal and Flour Mills,

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