

BANK OF HAMILTON

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TORONTO: 34 YONGE STREET.
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Undertone Shows Firmness Despite the Irregularities

Public Still Distrustful of Wall Street—Signs Point to Further Advances at the Toronto Exchange.

World Office,
Saturday Evening, Jan. 16.
The irregularity and nervousness imported to the New York stock market by the break up in the price of Consolidated Gas has not yet disappeared. The sharp and heavy break in gas has intimidated holders in general and any sign of weakness in other stocks has served to loosen up large numbers of shares before the price has dropped far. This happened in Erie during the week when an unexplained weakness served to cause considerable liquidation and it was only when the old rumor of a receivership was refuted that the price displayed any tendency to recover.

The feature of recent trading has again been the advances in low and moderate priced issues. Some of these have been accounted for by the conclusion of deals such as that for Wisconsin Central and Clover Leaf, but aside from this there appears to be a desire by the public to reverse the trend of the week and the insiders are not unkindly of the desire. The standard high priced shares have done very little during the week and in fact have declined in several instances while the small priced issues were advancing. The metal stocks have exhibited weakness all round and have not accorded with the action of the prices of the metals themselves.

Mr. Lawson has for purposes known only to himself and for those for whom he is acting, made a desperate attack on the steel trust. It has been usual for Lawson to attempt to knock the market just as an advance was pending, and to play the reverse way when prices were about to succumb to technical market conditions. This has happened so frequently that it is concluded by many that the Boston operator is still engaged by the big market interests as a decoy and to lead to the undoing of his innocent followers.

Matters of some interest to the market this week were the advance in the Bank of England discount rate, and the engagement of further supplies of gold for export. The English bank after remaining at 2 1/2 per cent. since last May, was put up to 3 per cent. on Thursday. The English bank is undoubtedly the new Russian loan of \$200,000,000, and to prevent any further loss of gold to the bank, Wall Street does not seem to be deterred by the event; money rates have not advanced, and further gold shipments will be necessary before any decided change in rates will develop.

From the way in which new stocks are being once in a while being put prominently to the front the market still retains what might be termed a bullish disposition. The Russian loan of \$200,000,000, and to prevent any further loss of gold to the bank, Wall Street does not seem to be deterred by the event; money rates have not advanced, and further gold shipments will be necessary before any decided change in rates will develop.

Canadian exchanges have undergone a further speculative broadening during the past week, the Toronto market showing signs of keeping more in line with the activity at Montreal than has hitherto been the case during recent months. There is no doubt that a scarcity of many of the speculative stocks around recent levels has served to provide a good foundation from which to start a bull movement in the market. To what extent this will go depends largely upon the interest which the public takes. Considerable buying recently has been the account of what might be termed speculative investors. Purchases made in this way have been taken up and there are as yet in consequence very few margin accounts in the market. The local money market is in excellent shape for rendering assistance to the

stock market. Financial institutions are bound to cater more extensively to the call loan market owing to the break up in the price of Consolidated Gas has not yet disappeared.

During the week most of the outside matters have been favorable to the stock market. Further excellent statements have been presented, and the traction and power companies are all showing favorable increases. The only disturbing incident is the fight now on at Winnipeg between the Winnipeg Railway Co. and the municipality. This had the effect of dropping the price of the railway stock 10 points from which a partial recovery was made. A deal on between the railway and the city to make some kind of arrangement for the taking over of the company's property, but the past record of the Mackenzie administration does not lead to the conclusion that any such settlement can be arrived at. A new proposal is said to be under way for the amalgamation of the Canadian Light and Power Co. with the Mexican Tramway Co., and this has caused a considerable speculative buying of the power company's stock at Montreal and Toronto, orders for which came chiefly from the big London interests.

Investment securities continue to show an excellent undertone, several advances having occurred during the week in these securities. Among the strong issues were Bank of Commerce, Canada Permanent, Consumers' Gas, Traders Bank and Dominion Bank. In the annual address of the president of the Bank of Commerce a reference to the dividend paid by the bank has led to the inference that a larger dividend might be available to shareholders at a later date. The rise in Canada Permanent is understood to mean that the stock of this company will be put on an 8 per cent. basis with the next dividend. The market both speculatively and from an investment standpoint is in good shape for further advances, and the incoming week will in all probability witness more activity in speculative shares.

Wall Street Pointers.
Rumors of J. J. Hill building street road from Minneapolis and St. Paul to Winnipeg.
Bradstreet's says that contracts are being made with provision for change of prices in case of tariff changes.
Dun's Review says new undertakings in business are increasing their output.

American Woolen Co. increases production and sees good outlook.
Idle cars for fortnight ending Jan. 6 increased 10,945.
Copper remains weak and inactive.

Magnesian Portland Cement Co. Commission approves issue of \$1,000,000 4 per cent. bonds by Boston & Maine.
Pittsburg reports increase in demand for wire products, but little other change.

Allis Chalmers reports improvement in business since beginning of year better than expected.
LONDON: Dealings in the new Russian loan are at a premium of 7-8 per cent.

Important bullish operations may be expected in the stock market. On little reactions daily operators should purchase discriminatingly. Union Pacific and Southern Pacific display an upward trend. Southern Pacific is almost certain to get a 7 per cent. dividend this year. Reading is still under accumulation. Bull tips are noted on Cotton Oil—Financial Bureau.

A Boston special says: American Agricultural Chemical Co. recently made an important purchase of Florida phosphate lands for about \$700,000, including preferred stock therefor. This will increase its phosphate holdings by 75 per cent. The company is ex-

pected to show in year ending June 30, seven per cent. on common stock, against 6.13 per cent. previous year.

Joseph says: Those who are bearish on R.G. and the Pacific will awaken soon to the fact that these stocks are not closely held then they will be, consequently, they are likely to be marked up quickly. Following the absorption of Colorado and Southern by the Burlington and the knowledge that the Soo takes over Wisconsin Central and the statement that the B. & O. will buy the Cincinnati, Hamilton & Dayton. Later on the Leckowanna will get the Wabash; thus the foundation being surely laid for a big bull market in the low priced shares. O. & W. is very cheap. Hold Mexican Central. Buy Union Pacific.

The market for leading issues is still swinging within a trading range, but the weight of actual stocks is more and more oppressive and will be the cause of a sharp reaction, we think during the next few days. Consequently we would take the short side of the leading stocks, which are active on the bulge for turns. As yet the support offered in Steel common toward 11 is convincing and leads one to believe that the 12 1/2 per cent. stock of this stock to sell down much further. This reason may be that the corporation is asking its employees to work for the common at 50 and giving them until Feb. 4 to make up their minds. Meanwhile it would seem natural that support should be present when bear attacks become too strong. It will be but a little while, however, before this stock for support will have been exhausted, while the tariff questions will loom more prominently than ever. We expect to see the 50 mark broken through next month if it is not done by then. This stock on bulges for turns, as well as other leading industrials, especially Copper, Smelting, Fuel and Lead. The idle car statistics are not helpful and there is no reason to expect business to improve except by fits and starts for some time. On bulges, sell Union Pacific. Reading, St. Paul, New York Central, Erie, Chesapeake and Wabash preferred for moderate turns—Town Topics.

New York Bank Statement.
NEW YORK, Jan. 16.—The statement of leading houses for the week shows that the banks hold \$25,883,175 more than the requirements of the 25 per cent. reserve rule. This is an increase of \$3,855,000 in the proportionate cash reserve as compared with last week. The statement follows:
Loans, \$25,883,175; deposits, \$25,883,175; increase, \$3,855,000; legal tenders, increase, \$207,500; specie, increase, \$14,215,000; reserve, \$14,229,700; reserve, \$14,229,700; increase, \$11,537,475; surplus, increase, \$2,896,225; ex-U.S. deposits, increase, \$2,618,725.
The statement of actual reserve of the clearing house banks to-day was \$7,000. The statement of banks and trust companies of reserve for the week is not reporting. The clearing house shows that these institutions have aggregate deposits of \$1,146,949,000, total cash on hand, \$1,146,949,000, and loans amounting to \$1,146,949,000.
The increase of \$4,109,000 in deposits in the nation has been the largest ever recorded in the history of the clearing house. A large part of this is believed to have been due to the deposit in New York banks of large sums disbursed in payment of dividends and interest.

On Wall Street.
Charles Hoad & Co. say at the close of the market:
There was a demonstration of increased strength in the stock market during the hour, the entire list moving up and further material gains being made in a number of instances. The market was strong at about highest on active buying. The reactionist Central preferred showed less higher.
Ennis & Stoppard wired to J. L. Mitchell at the close of the market:
The week's Friday's close developed sales of 3,483,000 shares of stocks, as compared with 2,744,000 shares the previous week. The United States, General and many Russia have increased aggregate gold holdings to \$74,000,000, an increased credit basis of \$12,000,000. The higher English Bank rate and other factors suggest a bullish tendency in the market. Despite tariff agitation and coming court decisions, the question is how long will the market hold its ground. Production and sales as compared with 1907.
J. R. Heints & Co. wired R. B. Holden at the close of the market:
The buying in U.P. has been especially good, and this stock should be prominent in the stock market. We would not overlook B.O. look for this stock to do much better. The market remained strong right up to the close and we look for higher prices next week. Avail your- selves of opportunities to buy the better stocks at all recessions.

Russian Loan Prospects.
LONDON, Jan. 16.—The prospectus of the new Russian loan of \$200,000,000 interest at 4 1/2 per cent. under authorization of the duma voted Dec. 11 appeared to-day several days in advance of the date originally set. This anticipation is due to the fact that the purpose of forestalling possible further advance in the Bank of England's rate of discount on Jan. 21. The loan will not be redeemed for a period of ten years after which a sinking fund and annual drawings will be made to pay off the loan. It is calculated that the entire loan will be redeemed at par by Jan. 15, 1939.

Railroad Earnings.
United States railroad reporting for the first week of January show total gross earnings of \$4,822,000, a gain of 8.8 per cent. over the corresponding period of a year ago, but a loss of 8.8 per cent. under the first week of January, 1907. Comparison with last year shows reduced earnings, but going back two years, and the loss shows to what extent railroad earnings are affected by the curtailment in business this year.

Money Markets.
Bank of England discount rate, 2 1/2 per cent. Short and three months' bills, 2 1/2 to 2 3/4 per cent. London call money, 1 1/2 to 2 per cent. New York call money, highest, 1 per cent. lowest, 1/2 per cent. 100 days' call money, 1 1/2 to 2 per cent. Call money at Toronto, 4 1/2 per cent.

Foreign Exchange.
Glazebrook & Poynt, Jan. 16. Building rates as follows:
Buyers. Sellers. Counter.
N. Y. funds, 1-32 par. 3/4 to 1/2
Montreal f.d., 1-32 par. 3/4 to 1/2
60 days sight, 9-32 3/4 3/4 to 1/2
Demand, 1-32 3/4 3/4 to 1/2
Cable trans., 9-32 3/4 3/4 to 1/2
—Rates in New York—
Sterling, demand, 48-50 48-50
Sterling, 60 days sight, 48-50 48-50
Toronto Sight, 1-32 1-32
Jan. 15, Jan. 16.
Bel. Telephone, 143 144 144 1/4
Can. Gen. Bldg., 143 144 144 1/4
do. preferred, 143 144 144 1/4
Canadian Pacific, 143 144 144 1/4
C. N. W. Land, 143 144 144 1/4
Prairie Lands, 143 144 144 1/4
Consumer's Gas, 143 144 144 1/4
Crow's Nest, 143 144 144 1/4

IMPERIAL BANK OF CANADA

Notice is hereby given that a Dividend of 10 per cent. on the paid-up Capital Stock of this institution has been declared for the three months ending Jan. 31, 1909, and that the same will be payable at the Head Office and Branches on and after
Monday, the 1st day of February next.
The Transfer Books will be closed from the 15th to the 30th January, both days inclusive.
By order of the Board,
D. R. WILKIE,
General Manager.
Toronto, Ont., Dec. 23, 1908. 13517

Detroit United	64	64
Dom. Coal	64	64
Dom. Steel	19	19
Ham. Stearns	110	110
International Coal	61	61
Int. preferred	110	110
Lake of the Woods	92	98
Laurentide com.	114	114
do. preferred	114	114
La Rose	84	6.50 6.60 6.60
Mackay common	74	74
do. preferred	84	75 74 74
Mexican L. & P.	83	83 84 84
M.S.P. & S.M.	184	184
Niagara Nav. Navigation	125	125
Northern	930	10.00
N. S. Steel com.	118	118
Ontario Steel	118	118 118 118
do. preferred	120	120
Rio Janeiro	84	84
Sao Paulo Tram.	125	125 125 125
Shredded Wheat	31	30 31 31
St. L. & C. Nav.	111	111
do. preferred	111	118 111
Toronto Railway	111	110 114
Twin City	100	94 100 100
Winnipeg Railway	107	106 107 107
Banks—		
Commerce	177	177
Dominion	246	246
Hamilton	246	246
Imperial	246	246
Merchants	181	181
Moisons	200	200
Standard	246	246
Trans Scotia	287	287
Ottawa	287	287
Traders	157	157
Union	157	157