

28th, when it sold down to 66. It closed yesterday at 65½ to 67. In the immediate future the price of the stock will be governed by the business done. Should the reports show any marked improvement in earnings, the stock should easily sell over 70.

#### MONTREAL GAS.

Gas continues to decline, and though to all appearance one of the most attractive investment stocks on the list, it is the slowest to advance. In fact, any weakness of the market seems to affect it more easily than any other stock. It has sold during the week down to 199, and shows little recuperative power. Newspaper reports and general talk about patent burners and gas furnaces may have a bullish effect on this stock ultimately. Last week Gas sold at 201½, and was by no means strong. Its decline this week has not been great, considering the number of shares sold, and should now be nearing a turning point. It closed yesterday at 199.

#### ROYAL ELECTRIC.

During the past ten days this security has been very much neglected, and has risen from 181½ to 185 and reacted to 183. The interest in the general meeting is not so great as it once promised to be. A radical change in the directorate, which was looked for, is not now likely to materialize, as there seems to be more of a disposition to allow the management to pursue its present policy. The power from the Chambly works has at last been tested, but not sufficiently so to permit of any positive opinion being formed as to its success. The stock is a most erratic one, and as it is so easily manipulated, it is quite useless to attempt to prophesy as to its movements. From all one could learn thirty days ago, there was every prospect of the stock being advanced. Now, on the contrary, it has a heavy appearance. To buy it, appears rather dangerous, but to sell it short would be entirely out of the question, as the volume of floating stock is so small. Total sales of the week amounted to 175, and it closed yesterday at 182½ to 185.

#### DOMINION COTTON.

Dame Rumor has it that old shareholders continue to lessen their interests in the company, and if this is so it is certainly not a healthy indication. We learn from reliable sources that proposed changes in the property will call for very heavy expenditures, but incidentally we may note that these expenditures are not looked upon favorably by some of the directors. The wisdom of the policy of increasing their very large indebtedness, as shown by their last report, is questionable. Whether this sum is raised by increasing the capital or by borrowing, the effect on the stock would be the same, viz., to weaken it. Stock has sold between 111 and 110. It closed yesterday at 108½ to 110.

#### WAR EAGLE.

The better feeling in this class of investment during the past week has been illustrated in a marked degree by the enhanced price of this security, which has advanced

from 358½, at which price it sold at the close of last week, to 372, which was obtained for the stock on the 26th. During the past three days it has been neglected and has had a slight reaction. Sales for the week amounted to 12,100, and it closed yesterday at 369½ to 371.

#### PAYNE.

The long deferred change in the par value of this stock has been consummated, and with it has come a change for the better in the price of the security. On the 20th the stock sold at 324½. It has since sold at 145 on the new basis, equal to 362½ on the old. It remains firm, and though transactions have been limited, there is a good demand for the stock. The total sales of the week amounted to 25,500, and it closed yesterday at 340 to 342.

#### REPUBLIC.

Though the rise in this stock has not been so great as that of War Eagle or Payne, it must be remembered that the decline was much smaller in it than in the other two stocks. A sudden demand on the 26th ran the stock up from 124 to 136, but on the 28th the reaction was quite as sharp, and for some unaccountable reason, it declined to 125 in the morning, but closed at 126½ to 127. It closed the day at 125 bid and 126½ asked. Yesterday it closed at 125½ to 127, total sales for the week being 30,700.

#### MONTREAL-LONDON.

The usual monthly dividend has been declared and will be payable on the 15th July to shareholders on record June 30th. The 50-cent share notch seems for the present, to be one, over which the bulls have difficulty to put the stock, and under which the bears cannot press it. The likelihood of higher prices is very much better than that of lower ones and we think that the stock is finding a permanent resting-place, and the holdings of dissatisfied shareholders are being gradually absorbed. The volume of sales is greatly diminishing and we think that higher prices will have to obtain before any quantity of stock will come out. There is but one large shareholder whose stock is likely to be sold, and once this has been marketed we think that the prospects for higher prices in this security are good. The sales for the week amounted to 6,800 and the stock closed yesterday at 48 to 54.

#### OTHER BUSINESS.

Richelieu has been dull and has ranged between 110 and 109. But small lots of Cable have been sold and have brought 185 and 186. Heat and Light in small lots, 19 and 20. Sales of Bell Telephone were made at 183. Limited transactions in Montreal Cotton have taken place at 155. Some sales of Colored Cotton Bonds were made at 101½ and Corporation 4 p.c. at 104½. In Bank shares Commerce has been most active sales being made between 151 and 150½. Jacques Cartier has sold between 110 and 108; small and scattered sales have also taken place at unchanged prices in Bank of Montreal, Merchants Bank of Canada, Quebec Bank, Union Bank, Hochelaga and Ontario Banks.

## MONTREAL MINING EXCHANGE.

### REVIEW OF THE WEEK.

RANGE FROM JUNE 23 TO JUNE 29 INCLUSIVE

11,425 Payne.....	145	143
6,000 Big Three.....	18½	18
12,500 Virtue.....	40	37
2,000 Montreal and London....	53	51
1,500 Decca.....	32	32
6,900 Republic.....	129½	123½
14,500 Golden Star.....	63	55½
200 Slocan Sov.....	24½	24½
1,850 Canadian Gold Fields....	7½	7
2,700 Summit.....	3	3
20,700 California.....	15	12
6,000 Black Tail.....	24½	22½
12,975 Montreal Gold Fields....	18½	18
100 War Eagle.....	370	370
37,500 Sun Consolidated.....	10½	10½
1,000 Barley.....	10	9½
1,000 Dardanelles.....	13	13
3,000 Bullion.....	53½	52
3,000 Deer Trail.....	27½	25½

A matter which has been the subject of considerable comment is the reason why mining shares of low quotations, with one or two exceptions, continuously show a declining tendency. The chief cause is because the floating shares are so limited in number that no short selling can be done. At first sight this reason seems paradoxical, it is nevertheless a fact. A short interest however small, is a steadying factor in any market because the temptation to accept, even small profits, is great, and consequently where shorts exist there is always a buying demand. If on the contrary sellers have to depend entirely on investors for a market, they have to sell stocks down to a point where they are considered a safe buy before a halt in the decline is made, and then no sooner has a slight reaction taken place than profit-taking begins. The actions of Golden Star is an example of this contention. Some weeks ago it was strong over 70, it broke on comparatively small sales to 52, it afterwards advanced to over 70. In a couple of days it again declined several points recovering as quickly, but during the past week, on reported passing of dividends temporarily, it made another dip. Had there been any shorts in the market these very rapid changes would certainly not have occurred. We therefore contend that short selling should be encouraged, as there is nothing makes a broader market than having a few shorts out.

Thanks to the decline in four or five stocks, the business of the Mining Exchange has been fairly active during the week.

REPUBLIC has ranged between 123½ and 129½, but has not been active, it closed the week easy at 125 to 127.

GOLDEN STAR which sold last Friday at 61½ advanced to 62 but heavy selling on unfavorable rumors caused a decline to 55½. Forced liquidation was accountable for the decline and it looks like going lower. In Toronto it has sold heavily and most of the selling orders here, come from the West. On breaks the stocks should be bought.

VIRTUE has been steady and all trading has been at 40 and a little under. From present indications we recommend the stock as a purchase at these prices. Should the Cumberland mine be bought we expect the stock to sell over 50 in a short time.