

had a very attractive offer from two different concerns he conferred with Mr. Plummer first of all, with the result that he will continue to act in a close advisory capacity, which will ensure to the new corporation the advantage of his large technical knowledge as engineer. Then again, the board meeting at which Mr. James Ross and Mr. R. B. Angus retired from the directorate of the Coal Company and their places were filled by Mr. J. H. Plummer and Senator Forget, was somewhat of a love feast at which all thought of past encounters was forgotten, and every indication given that the old directors of the Coal Company will help the new interests out in every way possible. The whole deal is such a tremendous one that it would seem necessary to have the best of feeling and support on all sides in order that it might be worked out successfully, and that the many thousands of shareholders, who have thrown their lot in with the new concern should have an opportunity of making a much money as possible out of it.

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A NEW CONDITION ON CANADIAN STOCK EXCHANGES.

SOMEWHERE about twenty years ago, old Jesse Joseph, who at that time was one of the largest market operators in Montreal and luckily made so much money out of it that he was able to buy all kinds of real estate in almost every part of the city, is said to have remarked after the stock market in Montreal had enjoyed a very active period that it would be fully twenty years before such a period of activity was again witnessed. It was a rather difficult forecast to make, but ever since a number of the men who were then associated with him have paid considerable attention to the remark as year by year rolled by, and the truth of his statement became more apparent. The other day, I was discussing the meaning of the statement with one of his former colleagues who is now a director in some twenty different corporations, and he expressed the opinion to me that what Mr. Joseph meant was that it would take at least twenty years before absolutely new conditions would prevail and an entirely new generation would spring up. These new conditions now seem to have come into existence and a new generation is here to take advantage of them. From this, it must be taken that a new period of activity is at hand, as far as the Canadian stock exchanges are concerned, and the more closely one studies the situation the more does this seem to be the case. The new condition results from the large amount of English capital that is pouring into the country and is being invested in the various securities that are listed on the exchanges. When it is remembered that one English house alone, that of Sperling & Company, has invested as much as \$200,000,000 in the country during the past two years and are seeking new opportunities for further investment, it will be seen what an opportunity there is right from this source alone. But while Sperling & Co. may have been the pioneers in this business, there are dozens of other firms, all of which control a large amount of capital, that are devoting almost equal attention to things Canadian. Then again, there are almost constant orders in the market now from Paris for Canadian securities such as Montreal Power, Montreal Street Railway, Toronto Railway, and industrial bonds of all kinds. The new generation is also here and is equipped with enough wealth to be able to take proper advantage of the opportunity that is afforded by this large amount of English and foreign capital that is making its way into the country. Great as have been the strides in this class of business during the past two years, the year 1910 rather looks as though it would prove a banner year and it rather looks as though the shrewd Canadian might get ready to take proper advantage of it.

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THE MERCHANTS' BANK REPORT.

BY reducing its balance of profits carried forward to \$100,000, the Merchants' Bank is able to add a round half million to its reserve fund. Any bank which can perform such a feat in one year must be well managed. Last year, the balance carried forward was \$400,097; this year's balance after paying dividends and writing \$100,000 off bank premises, amounted to \$602,157. It was thus easy to take \$500,000 and place it in reserve. This reserve now stands at \$4,500,000, or just three-quarters of the capital stock. Most banks made less money in 1909 than in 1908, but the Merchants' is an exception. In spite of the cheapness of money and the difficulty in using funds safely and profitably, the rate of profit went up from 12.30 to 13.85 per cent. Sir Montagu Allan, the president, might reasonably feel a glow of pride in presenting such a report. The assets at the close of the year amounted to \$66,800,000.

Mr. Hebden, the general manager, was justified in claiming that these figures established that the record of the bank was fairly good. He spoke also with effective brevity on the general business situation in Canada, and especially in the West, which he recently visited, and where the bank was a pioneer, its branch in Winnipeg dating from 1872. His observation justified him in saying that Canada is enjoying an era of prosperity unexampled in its history. The time, however, he also pointed out, is not one in which to forget the dictates of prudence. Public expenditures are growing fast, faster, as some think, than the conditions warrant, and there is now as great wisdom as ever in holding to a redeeming economy in public as in private affairs. The whole was wisely spoken. The shareholders at the suggestion of the directors, voted to authorise an addition of \$4,000,000 to the capital. The action is on the line that other old institutions have found it wise to follow, and indicates that the larger banking capital which the country will require will be provided through established rather than through new banks. That the Merchants' will soon be called on to provide some of it seems a reasonable conclusion from its position.

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CENTRAL CANADA'S BONUS.

THE Central Canada Loan and Savings Company of Toronto has declared a bonus of two per cent. at a meeting of the directors this week. The Central Canada controls the Dominion Securities Corporation which deals exclusively in bonds, and it is from the expanding business of the Dominion Securities that the additional profits have come this year. Senator Cox is president of the Central Canada, Mr. E. R. Wood is vice-president and manager, and Mr. George A. Morrow is assistant manager. The company has been doing business for many years and has always been remarkably successful. The bond business, like all other Canadian businesses, has been exceptionally good this year and loan company business has also been feeling the activity of the times. All Canadian loan companies should show a good year, and bond companies should show the best in their history.

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DIVIDEND No. 29
NOTICE is hereby given that a Dividend at the rate of SIX PER CENT. per annum for the current half year on the Permanent Stock has been declared and same will be payable on and after **Monday, January 3rd, 1910.**
Transfer Books will be closed from the 24th to 31st inst.
By Order of the Board
WILLIAM SPITTAL, Secretary-Treasurer.
LONDON, ONT., December 7th, 1909.