

PEOPLE'S BANK PURCHASE.

How the Royal Bank was Outplayed in New Brunswick.

(From Our Own Correspondent.)

St. John, N.B., August 14th.

Mr. E. L. Pease, general manager of the Royal Bank of Canada, came to New Brunswick last week prepared to assist in closing an agreement that had been reached after weeks of negotiating with the directors of the People's Bank of Fredericton for the purchase of their property. He probably was the most surprised man in Canada to learn that the People's directors had ceased to represent a controlling interest in the bank.

While they had been negotiating with the Royal directors Mr. W. B. Tennant, a St. John broker, had been going quietly buying up the shareholders' stock. The last recorded sales of this stock had been at about \$270 per share of the par value of \$150. On these Mr. Tennant raised the price, paying in some instances as high as \$300, and so obtained control for the Bank of Montreal. Then the Bank of Montreal appeared openly in the negotiations and offered to take over the property at the very generous price of \$350 per share and giving shareholders the option of taking cash or Bank of Montreal stock.

Mr. Pease was not prepared to raise this offer, so he returned to Montreal. The matter was to have been kept secret; but the St. John "Globe" got word of the deal, and ended the stock speculating, and saved some shareholders from parting at \$300 with property for which they will shortly get \$350.

No public announcement has yet been made of the offer of the Royal Bank, but it is generally believed their price was in the vicinity of \$300 per share. It is understood that those of the People's Bank shareholders who wish it will be given stock of the Bank of Montreal, which will be figured at \$260 per share, to \$350 for People's Bank stock. It is understood that the Bank of Montreal will take over the staff of the People's, and that provision is made to continue paying fees to the People's directors. It is announced that the formal transfer will take place within three months.

Once After the New Brunswick.

The People's Bank was largely owned in Fredericton; in fact, the family and other relatives of the president, Mr. A. H. F. Randolph, who succeeded his father, the late Mr. A. F. Randolph, were the principal owners, controlling nearly one-half the stock. The bank had no agencies, transacting business only in Fredericton, where it had practically the cream of the accounts and a perfectly safe business.

The deal by which the People's Bank was secured to the Bank of Montreal very much resembles the effort made by or on behalf of the same bank to secure control of the Bank of New Brunswick. Some months ago the directors of the Bank of New Brunswick practically accepted an offer of the Bank of Montreal to sell out on the same terms that the People's Bank have now agreed to dispose of their holdings. When the offer was carefully analyzed it was found that it would not benefit local stockholders, who were earning 12 per cent. on the stock, so the negotiations were dropped. Then it was learned that Mr. W. B. Tennant, who figures in the sale of the People's, was going about among the stockholders of the Bank of New Brunswick asking options on their stock at \$350. The stock had been selling at the corner for from \$290 to \$300 per share of the par value of \$100. Presumably it was found impossible to secure enough of the stock to get control, for nothing more has been heard of the matter.

The speculator may still be at work. Meanwhile the Bank of New Brunswick has increased its capital from \$500,000 to \$1,000,000, has established new agencies and in other ways been energetic. The day the sale of the People's Bank was announced the Bank of New Brunswick made known its determination to enter Fredericton. The People's and the Bank of New Brunswick had always been on most friendly terms, transacting one another's business in their respective districts, and so the Bank of New Brunswick had kept out of Fredericton, in which it may reasonably hope for a very large share of business.

The other local bank, the St. Stephen's, is without branches, and has only the head office at St. Stephen. Already there are rumors that the stock broker is seeking to secure stock in this institution, and it will not occasion great surprise if ere long the announcement is made that some one of the great financial institutions is endeavoring to control it.

Col. C. H. Bridge and Capt. Martin, commissioned by the Imperial War Office to buy horses in Calgary will probably return empty handed, as the prices offered—\$115 for chargers and riding horses, and \$100 for cobs are not nearly sufficient to pay for the few horses offered in that neighborhood.

WEEK ON THE STOCK EXCHANGES.

Friday, August 10th.—Trading, both in Montreal and Toronto was stagnant and prices made little change. In the latter the only feature was navigation shares, Northern selling up to 101 3/4. C. P. R. and N. S. Steel were firmer. Havana, common, sold a fraction higher.

Monday.—The upward tendency of Northern Navigation continued and it went to 106. There was quite a demand for this stock and holders were in no mood to part with it, owing to optimistic belief re the new boat. Interest was taken in C. P. R. because of dividend expectations, but it made no strong movement. Among the bank stocks, Toronto was firmer. Electric Development lost two points.

Tuesday.—C. P. R. was easy, dividend anticipations not being realized. Mexican stocks also easier in spite of increasing volume of business shown by Electric Tramway Company's statement. Rio was fairly active. Northern Navigation fell back a point or two.

Wednesday.—Business dropped off, but prices were slightly firmer than on previous day, as in New York. Rio was fairly active. C. P. R. was firm locally, but declined two points in New York. In Montreal power issues are most active.

Thursday.—A few shares of Electric Development at 53 1/2. Rio was steady. Mexican L. and P. was in better demand. Dominion I. and S. bonds to the amount of \$11,000 exchanged hands. Mackay partially resumed its activity.

The General Situation.—Very little in the way of new feature has presented itself in the stock exchange business the past week. Money in New York has been a little easier, but this has not brought forth the looked-for result of bringing about a heavier movement in stocks. Prices have kept up well; that is to say, they have not retroceded; but this is all that can be said. Evidently there is a movement to keep them up, and that it has not succeeded in greater measure shows that the sluggish influences are stronger than supposed. What these exactly are is hard to say, for crops, industrial prosperity, comparative freedom from political dangers are all factors, and strong factors, in the opposite direction. Local Canadian markets are following in the train of New York. Values keep steady to firm, but the volume of business is small and there appears no immediate probability of improvement. The outside public is sceptical and, until it regains confidence, dulness will be the word.

Stock and bond prices will be found on page 248.

UNCHANGED C. P. R. DIVIDEND.

The C.P.R. directors on Monday declared the usual dividend of 2 per cent. on the preference stock and 3 per cent. on the common stock for the half year ending June 30th. The surplus carried forward is \$8,268,082, compared with a surplus last year of \$1,784,553.

In view of the record earnings and profits, a larger dividend was looked for in some quarters. The directors have taken the conservative course, no doubt partly because the exceptionally open winter kept working expenses down, and the consequent increased gains have been retained against a possible reversal of conditions.

The preferred stock dividend will absorb about \$1,514,000 and the common \$6,230,000. Here is a condensed balance sheet compared with that of 1904-05:

	1906.	1905.
Gross		
Expenses	\$61,660,758	\$50,481,882
	38,690,440	35,000,793
Net	\$22,970,313	\$15,475,088
Included from other sources	1,316,870	1,584,663
Gains of steamships over amount previously shown	652,577	
Total net income	\$24,942,760	\$17,059,751
Fixed charges	8,350,545	7,054,065
Added to steamship pension funds	\$16,592,215	\$ 9,105,686
	580,000	230,000
Available for dividends	\$16,012,215	\$ 8,875,686
Surplus after all dividends	8,268,082	1,784,553

The Hamilton Steamship Co. has given a contract to the Canadian Shipbuilding Co. for the building of a new steamer to carry 2,000 passengers, or double the capacity of the "Modjeska."

The Canadian National Exhibition, Toronto, has purchased Caton Woodville's famous picture, "The Dawn of Majuba Day," in which the second Canadian contingent is shown in front at the surrender of Cronje at Paardeberg.

NEW ST. LA

\$12,000,000 Montre Franchise

(From Our

It begins to look as though its third bridge over the river years ago there was but one—the Victoria bridge, the many who still call them have been reconstructed and have as the space for trains. A bridge across the river and this is three or four miles P. R., and is only for three miles distant, is another other. A few miles above

The Victoria bridge is scarcely a tenth of the income, save by train. The toll crossing it are also against wanted a bridge for the shore, across which pedestrians carry their loads at have to be paid, Montreal

F. Stewart Wilson, of Douglas Fox, of London, is to undertake the erecting immediately. The bridge will permit ocean steamships to pass city approach will have to the up-town section. It will centre span of 1,500 feet in about \$12,000,000. The bridge road, and that a large station provided at the city end

James' Methodist Church Railway is mentioned as having been for the use of these hitherto used the C. P. R. announced that these arrangements. But it is believed that acquired its own lines and a boundary to Montreal, it will make it independent of

Loss of a Negotiator.

The death of Ald. C. the Montreal City Council Those who keep a close eye on the negotiations between the Railway, for the renewal

latter, look to the future. Ald. Carter had the confidence pointed to interview the Street to the matter. The subject fall, after the return of Ald. Atlantic. His death, just announced franchise has 17 years officials want to know what period. Three years ago they what could be done in the

They want the franchise obtain this concession, they the streets upon which they in winter—they may have a They are also willing to give men's and school children's the city a bonus in addition their earnings. It is estimated amount \$200,000 per annum

As the railway operates and as Montreal's greatest asset the cleaning of her streets, the much favor. The street railway vice and the citizens look upon spirit than they do upon an referred to in these columns frequently express much dissatisfaction from the Street Railway when they compare them with other cities.

City's Share of Profits.

The following figures of the city's proportion were published last year ending at that time:

Gross earnings of company earned in outside municipalities within the city, \$2,355,867. Percentages on earnings: 4 per cent. up to \$1,000,000; 6 per cent. up to \$500,000; 8 per cent. up to \$500,000; 10 per cent. up to \$377,200.

Total paid city