Points for Investors

THE present is a time most favorable for investment in sound Canadian stocks. One hears a great deal about the "tightness of money," but this is a condition which is a reality for the speculator but does not affect the man who has money laid by and is looking for profitable fields for outlay. Owing to the great expansion of business in Canada during the present year, and the growth of trade in all directions, more money is required by manufacturers, traders, merchants of all descriptions, but at the same time there is much well-earned increment from the same sources increasing every day and seeking an outlet of investment. The fortunate possessors of these increments can regard the present stringency of money as a cant phrase sufficiently real in its operation to act as a most healthy tonic against inflation, while enabling the man of ready money to secure investments at a lower rate than otherwise would obtain. In this column I propose weekly to point out the directions which can best be followed by those who seek reliable investments capable of appreciating in value. The country is developing all the time, and present conditions point to an uplift in all sound quarters.

On the Canadian 'Changes, during the past week, especially in Montreal, there has been distinct advancement in many stocks. Royal Electric stands out as the most notable of these. While the financial writers of the daily press ascribed only manipulation as a reason for the upward movement, the advance was well founded on increased earnings and a most favorable statement which is to be issued for the present year. Electrics may be generally considered the soundest of industrials, for the business is yet in its infancy, is capable of much wider development, and possesses an ever-expanding field. Consequently, as the year nears its close, there has been a marked advance in electric stocks all over the continent, and Royal Electric is only following a general lead set by General Electric in the United States, and Canadian General Electric in Canada. An increase on the present 8 per cent. dividend is practically assured, if not in January, certainly in the next half year, and, with still wider fields for operation in manufacturing electrical appliances, and with the growth of Montreal and its constituent and adjacent municipalities, Royal Electric, provided as it is with a goodly rest fund, can well be said, even at present prices, to be a sound proposition. But it is high enough from the investor's view point.

The best industrial stock in Canada to-day, and one that offers a splendid return, is Canadian General Electric. This stock should be listed on the Montreal Exchange, for the Company's operations extend all over the Dominion, and, in a national sense, it holds the lead in electrical manufacturing. With only $900,000 common stock, and $300,000 preferred at six per cent., it has a larger earning power than the more local electrics of higher capitalization. Its recent rise from 165 to 180 has been due to the almost assured fact that its previous annual dividend of eight per cent. is to be increased on December 15 to 10 per cent. per annum, and the statement of the year's business will be so excellent that a large fund will be carried forward to rest account. This company's business is not dependent on franchises at all, but on well acquired patents, and a consolidation of the Thomson-Houston and Westinghouse forces in Canada, following a similar lead in the United States. Last year the net profits were $182,000. This year they will reach $275,000. Those who want a good purchase should buy Canadian General Electric on the Toronto Stock Exchange. Toronto Electric Light has been showing a very slight advance. This company is in a most flourishing condition, but is not likely to increase its present dividend. At 138 with a 7 per cent. return the stock is at a firm price. It cannot recede, because the company will this year show an increase in the net earnings of about $28,000, bringing up its balance close on to $100,000. It is hampered in paying dividends on $2,000,000 common stock and has 400,000 debentures at 4½ per cent. but it is quite equal to the task. Its property is overcapitalized, but its future is great.

Of all local electrics, the London Electric Light Company, with only $500,000 stock and a 6 per cent. dividend, that is likely to be raised to 7 per cent. next June, is a most sound investment at 120. It is a foster child of Canadian General Electric.

Bank stocks are another excellent media for investment at the present time. The best of all, with regard to future possibilities and for gilt-edged investment, is Dominion Bank, with its 12 per cent. dividend, purchasable now at 270. Operating an enormously growing business on only $1,500,000, this institution is the next applicant for increased capital, and present stockholders will be able to secure new holdings on a most favorable basis. The Dominion's success in Montreal and its new Northwest business, ever increasing, demand more capital.

Street railway stocks are to be avoided at present prices. Both in Montreal and Toronto street rails there has been too much inflation. The inflation is better founded in the Montreal Railway which is going ahead by leaps and bounds and has a fairly safe franchise, but it is now high enough, while Toronto Street Railway, with an unsecure franchise, absolutely terminable in less than a score of years, is absurdly high at 110 on a 4 per cent. basis. While Toronto is progressing remarkably and the street railway earnings are increasing and increased returns for shareholders are a fair possibility, Toronto rails are not an investment.

Those who like railroad investments, and nothing is sounder than a well-directed and expanding railroad, can comfort themselves with the thought that our own Canadian Pacific Railway is making strides as remarkable as any road on the continent to-day. For several weeks it has been leading all the American roads in its earning increases. After payment of $8,300,000 for covering the fixed rates on bonds and the preference stock and the present dividend of 4 per cent. on its $65,000,000 common stock, the C.P.R., on December 31, will still have a surplus on the year of $3,000,000. It has been branching out in many new lines, but the meeting in February may very properly see its way clear to allowing the common shareholders an additional 1 per cent. Whether such increase is made or not, C.P.R. offers a most attractive investment. It is worth buying and holding in one's strong box.

The slight flurry in Duluth this week resulted from the report that Chicago, Milwaukee and St. Paul had made a traffic arrangement with the Duluth road. This stock cannot be considered in the light of an investment, though it may, on its low basis, prove a good thing for long-waiting speculators.

Twin City Rapid Transit was also to the fore. There is no question that Minneapolis and St. Paul are growing very fast, and Twin City's receipts are leaping up with a monthly increase of $30,000 to $40,000, so that, in spite of its very heavy load of common stock, Twin City would appear all right at present prices.

FAIRFAX.

SIR JOHN TENNIEL, who, since 1862, has supplied the weekly cartoon to Punch with hardly a break, is nearly 80 years old, and is as well and as busy as ever. He was born in London, and has hardly left the great city for more than a week at a time during the last 40 years. Few men have done more than he to form public opinion in England. He has been more or less handicapped in his work by his loss of an eye. It was accidentally put out by the slip of a foil in the hand of his father when the two were fencing together. Sir John philosophically consoles himself by the reflection that Heaven bestowed on men two eyes as a precaution against such accidents.