

period. We do not think that stocks are high, in view of the value of money ruling to-day on call, the return on many stocks being 5 per cent. and over, while the rate of call money in the banks is 4 to 4½ and the rate on first-class bonds range from 4 to 4¼. If the money rate does not change during the next six or eight months, there certainly will be a considerable further advance in both stocks and bonds.

At the present time there is somewhat of a lull in the market, owing, we think, largely to the fact of unsettlement in London, where the uncertainty with regard to European conditions largely exists; namely, in the heavy increase of taxation in England, caused by the immense armature that the nations of the world are keeping up and the trouble in Turkey. The fact of increased taxation in England should have a beneficial effect on Canadian investments, as many of the English investors buy Canadian bonds, holding them outside of the country. These are not subject to taxation until sold and transferred in the London market, and in many cases the income of these bonds is domiciled in Canada and re-invested here.

London Market is Nervous.

We are of the opinion that when the London market gets over the nervousness caused by the aggressiveness of nations in war-shipbuilding and the Turkish Revolution finally quiets down, that a good demand will reach us from London. Therefore, good Canadian securities should appreciate materially in value.

The stocks, up to the present time, have been largely absorbed by investors. Speculation has been at a very low ebb since the panic. On the whole we look for an improving business in securities during the next year, unless something unforeseen should occur which would change the value of money.—H. O'Hara & Co., Toronto.

Rapid Recovery in Iron and Steel.

The outstanding feature of the general situation is the rapid recovery that has been made by all the Canadian iron and steel companies and their subsidiaries. The large orders placed by the Grand Trunk Pacific, the Canadian Pacific and Canadian Northern for steel rails, locomotives and equipment enabled certain of these concerns to keep running almost to their full capacity right through the period of depression and as soon as the railways felt that the tide was turning, they placed additional orders, in order to be in as good a position as possible to take care of the big wheat movement that was generally expected in the fall of 1909. The filling of these orders meant that, subsidiary concerns throughout the country, such as locomotives, plants, car equipment, car truck and car wheel shops had to again start running at full capacity. How significant were these large orders may be gained from the fact, that Canada was the only country in the world that had a locomotive plant running at full capacity right through the period of depression. This rapid recovery has meant that by far the greater percentage of mechanics have been put on full time again and as this class of people must be depended on to purchase a large part of the output of textile, cotton, woolen and other manufactures, and as the most important class of all, the farmers are in a strong financial position, as a result of the high prices that were paid for last year's crop, the recent activity in the last mentioned industries is explained.

Further Appreciation Anticipated.

Another factor that has a very important bearing on the situation, is the large number of immigrants that have been coming in for several months past, as a large proportion of these settlers, especially the ones from the Western States are well off. Considerable sums of money are thus being brought into the country. It is, therefore, bound to have a much more rapid recovery in the demand for its manufactured products, than in older countries which have to depend upon the normal increase of the population. Consequently, if there is only a moderate sized harvest this year, the outlook is for a continued improvement in business and if there is a large crop, an era of great prosperity will undoubtedly be inaugurated.

When there is added to the above mentioned favorable circumstances, the continued ease in the money market, there would seem to be a considerable probability that in spite of the large advances that stocks have already had, there will be still a further appreciation in the present year. As far as the wheat crop is concerned, while it has not had a particularly favorable start, it must be remembered that the land under cultivation is much more widely distributed, than was the case a decade ago, and that a total failure is almost out of the question.—McCuaig Bros. & Co., Montreal.

Two Points of View.

Those in control of the different Canadian securities—helped by a legitimate demand from investors—have succeeded in placing nearly all of the investment issues on a basis where they have discounted a large measure of prosperity for from six months to a year to come. The present markets—both in Canada and the United—appear to me to be at such a level, that they are apt to run into large realizing sales from sources which rendered support during the days of extreme depression and panic.

As opposed to this condition, account must be taken of the world-wide ease in the money markets, and the great difficulty the financial institutions are experiencing in keeping their surplus cash out at profitable rates of interest.

It is this latter fact that is the chief supporting influence in the present markets, and the public always realize that improvement is well under way a long time after the large financial interests have taken advantage of the fact. We are in favor of careful scrutiny on the part of the investing public before making commitments from now on.—W. Murray Alexander, Toronto.

REPLIES TO INQUIRERS.

978.—R. C. C., Kelowna, B.C.—We would scarcely term money put by the investor in the Telepost enterprise of which you write, as an investment. It appears to be a speculation only. As to whether what the company claims is feasible, we do not know. But it is safe to say that an invention of any material value would not have to circularize the continent to obtain capital for the exploitation of the enterprise, in the shape of \$10 shares from any and everybody. No really good investment has to search long for capital. On the other hand, it naturally attracts capital. As a well-known writer on investment has said:—"Gambles of any kind should be avoided. The real difference between investment and a gamble is that the investment must display a probability of increase in value on the occurrence of certain clearly defined and strongly probable events based on well-known and ascertainable facts; whilst the gamble has only a chance of increasing in value through the agency of possibilities which cannot be foretold." With so many excellent and safe investments in Canada, it seems unnecessary to seek speculation in the United States.

The capital stock of Elliott & Son, Ltd., of Ontario, has been increased from \$40,000 to \$100,000, by the issue of 600 shares of new stock of \$100 each.

An original agreement dated April 29th, 1909, made between the Imperial Rolling Stock Company, Limited, and the Canadian Northern Railway, and a notarial copy of a mortgage of the same date, made between the same two companies and also the National Trust Company, securing bonds Series T. 1909, have been deposited in the office of the Secretary of State. Similar documents concerning the same three companies and securing bonds Series S. 1909, have also been deposited. A duplicate original of a amalgamation agreement made between the Canadian Northern and the Edmonton, Yukon and Pacific Railway Company has been filed at the same office, while application will be made on behalf of the Alberta Midland and the Canadian Northern Railway Companies for the sanction of an amalgamation agreement. A similar agreement is desired for the Saskatchewan Northwestern and the Canadian Northern Companies.