

South Africa, or the United States where the arts of peace are being assiduously cultivated, and war is regarded as a far-off thing.

Europe has to have an outlet for its enormous stores of capital. If governments will prejudice security by continuing armed camps, then new countries where settled conditions prevail, may secure those investments which are being withdrawn from European markets.

**On and Off the Exchange.**

**A Common Error in Judging Bonds.**

A BOND salesman during the past week when trying to sell a commercial bond was confronted with the argument: "Why that issue was made months ago, it cannot be any good or you would not have any of it for sale now." This reasoning may be correct in many cases, but is far from being generally so; in fact, it is the antithesis of correct reasoning in many cases.

Many of the best flotations of industrial bonds are never listed on the stock exchange; consequently there is no public market where an investor can dispose of his holdings in case he requires his funds in an emergency. Recognizing this fact many of the larger bond houses maintain a market for their issues themselves and protect their clientele by purchasing bonds which they have previously sold them. In such a case the fact that a bond of former flotation is again being offered is guarantee that bond houses are looking after the interest of the investors rather than that the bond is poor.

In many cases also bond houses make it a principle to always have a few thousand dollars of each of their issues on hand, in order that they may satisfy the diversified wants of their customers.

One bond dealer who makes a principle of doing this was sold out of a certain issue recently and had great difficulty in finding any of the bonds which he could purchase. Eventually he got a block, a part of which were immediately resold to a customer, and the balance held for sale. In this case the above reasoning would have been wrong, as the issue was one of the best on the market.

It would be well, then, for the investor before jumping at the above conclusion to investigate the principles of the bond houses which made the original flotation and learn whether they are simply maintaining a market or if the issue is questionable.

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**Those Unclaimed Bank Accounts.**

A STATEMENT just issued by the Department of Finance shows over 40,000 accounts, amounting to over \$676,000, which have been standing in the chartered banks, unclaimed for a period of five years or more. These accounts, which range from a few cents to several thousand dollars each, have been standing since various dates, beginning at 1819. At first glance this would appear to be apart from the investment market, but when it is considered that savings bank deposits are one of the safest investments in Canada to-day, and that there are more investors in this than in any other class, it will be seen that the question is very pertinent.

The fact that the Government requires the banks to make an annual return showing as unclaimed all accounts in which no transaction has taken place for five years is not known to the general public. Through ignorance of this law and not wishing to change the amount at credit, many depositors, to the writer's knowledge, allow their accounts to stand. It is advisable then, that depositors look after their accounts regularly, as less "red tape" is required to withdraw funds from the bank than will be the case if the Government takes over these balances, as has been periodically agitated.

All that is necessary is that the pass-book be presented regularly for the interest entry to be made. Then it is not necessary for the bank to include the account in the list.

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**Bank of Nova Scotia Stock Issue.**

THE Bank of Nova Scotia has given its shareholders valuable stock "rights" in its new issue of \$1,000,000, increasing its capital to \$5,000,000, which has been issued at 240, while the stock was selling around 273 on the exchange. The present reserve is \$7,500,000 and capital is \$4,000,000, and during the year 1911 this bank earned 23.01 per cent. on its capital—the highest rate earned by any bank in Canada—while it increased its dividend rate to 14 per cent. during the year, which amounts to about 5.12 per cent. on the investment.

That the shareholders appreciate the fact that the stock is a good buy at 240 is evidenced by the fact that within 24 hours after the official announcement was made, a number of them had paid up for their allotment in full, though the Bank Act allows them the privilege of paying for it in ten monthly installments.

A commendable action was the allotment to shareholders of record July 31; a movement that prevented market manipulation and a fluctuation in exchange quotations.

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**Departmental Store Financing.**

AMONG the most successful enterprises in Toronto are its departmental stores. They serve so many people, and come into such intimate contact with them that they might, to an extent, be regarded as public utilities in the same way as gas, telephone, or railway companies.

The Robert Simpson Company recently offered their mail order customers an opportunity to acquire a portion of the recent stock and bond offering. It will be interesting news to those who subscribed throughout Canada to note the earnings of this store during the first half of 1912. Business during that period has increased about 25 per cent., and profits are on the way up. Net earnings in 1911 were \$586,149, and, if things move in the latter part of this year as in the first six months, the earnings for 1912 ought to reach three-quarters of a million. The Simpson store is in a much better condition to handle trade since the recent alterations and extensions to the old building.

Across the road T. Eaton is on the jump. The Eaton Company, it is much rumoured, intend soon making a large stock issue to finance their new store and factory.

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