

STOCK EXCHANGES

BUSINESS BETTER

Than Last Year—Both Exchanges Show Larger Number of Transactions During First Ten Months Than Corresponding Period of 1908.

Toronto, December 17th.

Those who have complained of the volume of stock exchange business during the current year have apparently forgotten the record of 1908. The business transacted both on the Toronto and Montreal Exchanges during the first ten months of 1909 shows a large increase over that of the previous year. Here is a table showing the total sales on both exchanges during the first ten months of three years:—

to Months.	Toronto.	Montreal.
1907	365,758 3/4	602,778
1908	484,876 1/20	719,976 1/10
1909	1,171,324 1/4	2,759,391 12/20

The increase of business in the case of Toronto over that of last year is 120 per cent., and at Montreal, 283 per cent. Business, therefore, appears to have been more active than generally considered.

Steel, Coal and Traction.

The Steel and Coal issues have once more been the leaders in a fairly brisk Toronto market. Both Dominion Steel and Dominion Coal were largely dealt in during the week at advancing prices. By Wednesday, Steel had risen nearly two points since the previous Friday, while Coal common remained around 92. Dominion Steel bonds to the amount of \$16,000 were sold on Monday morning at 95 1/2. Another \$9,000 worth changed hands on Tuesday at the same figure. Nova Scotia Steel was also active and gained a point or two during the week, being quoted at 83 1/2.

Traction has received some attention, the deals in C.P.R. and rights amounting to a respectable total, the latter being more prominent. No less than 694 rights changed hands from 10 1/2 to 10 1/2 at the Saturday morning session. Duluth Superior, a recently listed stock, attracted some buying and nearly 350 shares were purchased at one morning's session. The price is around 68 1/2. Toronto Railway was the chief feature among the tractions. There was no lack of offerings and they were taken up to around 127 1/2. This may have been due to the story from Montreal, the hotbed of financial gossip, that the Toronto Railway are sounding the leading brokers of the Montreal Stock Exchange as to whether or not a large issue of securities of that company would be well received by investors. Much is said to depend on a possible new arrangement as to franchises with the city of Toronto. The excitement in Twin City seems to have subsided somewhat and the dealings during the week were few and far between although on Tuesday morning 290 shares changed hands at from 112 1/2 to 112 1/2.

Mining stocks were very quiet, La Rose and Trethewey being the two chiefly favored. Nipissing, despite dividend talk, scarcely figured at all, while Crown Reserve was also in the shade.

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Among the industrials, Mackay was active and sold around 92, the preferred being at about 76. John Moody, the well-known New York financial writer, in a recent article, stated that it would seem that the future of the Mackay companies as a going concern and as a successful dividend earning business is entirely assured. Its business covers such a wide territory that its income is not dependent merely on one section or on conditions in any one country at one time, but world-wide activities which are always present are always at the back of its sources of income. The earning power of the company in the future, therefore, seems to be unlimited. The income account as published does not divulge the actual profits of this great aggregation, as the statements shown stockholders simply show the income received from subordinate companies from year to year for the purpose of paying dividends on the Mackay Companies' shares. The Mackay Companies have officially stated that it is their policy to obtain at the present time from the subordinate companies only enough income to meet the dividends on its shares, all surplus earnings being left in the treasuries of the subordinate companies for extensions and for the further development of the business and the increase of reserves. So it will be seen that this policy is resulting clearly from year to year in building up a reserve of so-called "concealed" assets which should continuously add to the equity in the Mackay shares.

This unusual situation is doubtless at the back of the steady increase during the past year or so in the value of Mackay Companies' common stock. Its dividend has recently been increased from the 4 per cent. rate and probably we may reasonably expect, within a year or two, to see it placed at a still higher figure. The preferred stock is limited to 4 per cent. dividends; it may in time be retired or exchanged for the common stock issue.

Bank stocks have not attracted much notice, although in view of the recent proposals to increase the capital stock of the Bank of Ottawa, the Sterling Bank and the Merchants' Bank, these securities should soon become more in evidence. The proposition to sell a \$1,000,000 worth of chartered bank stock in England will also likely bring the shares more to the front.

Mexican Power Capital Increase.

The directors of the Mexican Power Company will ask for power to issue \$3,600,000 7 per cent. preferred stock and \$5,400,000 common. This will make a total of \$6,000,000 preferred and \$19,000,000 common when all is issued. In regard to this new issue, the directors' circular says:—

"The business of the company has grown very rapidly, and the original installation of 50,000 horse-power was found to be inadequate to supply the demands of the district served by the company, and to meet these necessary demands and to provide for future growth it was decided to increase the capacity of the hydraulic plant to 100,000 horse-power. It is necessary for the company to provide for this large expenditure, which up to this time has been taken care of through loans of a temporary character, and the object of the issue of this new stock is to provide further funds required to complete the work and to repay advances already made. By July 1st, 1910, it is expected that the company will have at Necaxa available for delivery 100,000 horse-power."

Rapid Advance in Soo.

Monetary Times Office,

Montreal, December 17th.

The past week has been a big one in the stock market of Montreal. The feature was the rise in Soo, which was preceded by an advance in C.P.R., which ran up to 181 1/2 and then eased off, being now under 180. Soo had been down to 133, and was active again on Thursday of last week. It reached 144 in Montreal before it finished its advance, on Tuesday of this week, and by Wednesday night had settled back to about 141, the trading being then very light. The advance was accompanied by rumors of dividend increases to 7 per cent. and 8 per cent., the latter being conditioned upon the retirement of the preferred stock, most of which rumors were later denied.

Power was another feature. The market ran up to 130 1/2, on Wednesday, the advance being unaccompanied by any of the usual bullish rumors. It seems to be the impression that something is going on between this company and Shawinigan Power. The latter, during the past week, announced its intention to issue at par the \$500,000 stock remaining in the treasury. The advance to 105 may have been manoeuvred in anticipation of the issue, although it would hardly seem desirable for the immediate future, being only a 4 per cent.

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