

Points for Investors

THE stock market is an institution which is always full of surprises, and this is in no wise better instanced than in the price of Canadian Pacific Railway. After the declaration of a half-yearly dividend of 3 per cent. and a remarkably fine statement, one would have expected that this stock would have at least touched 105 on the announcement of the declaration. Instead of that it has remained a fraction under the century mark.

SIX PER CENT. LIKELY TO CONTINUE.

When the railway shows an increase of \$400,000 in net earnings in January, and the two first weeks in February are keeping up the same rate, it would seem difficult for the directors to avoid making the 3 per cent. half-yearly dividend continual for the year 1900. In fact, it would seem as if they would have no other recourse in July, than to declare another 3 per cent. half-yearly on the common stock. Every indication points to another splendid year, and the widespread possibilities of the country is such that both C. P. R. and G. T. R. should make great strides.

The fortunate absence of snow blockades this winter, should make a considerable increase in the net revenue.

A REMARKABLE SHOWING.

I have foreshadowed in these columns the statement of the annual report of The Canadian General Electric Company, which was presented at the general meeting on Tuesday. Endeavoring always to be on the safe side, I was even under the mark in stating the company's net profits. This company shows, probably, the most remarkable statement of any joint stock company whose securities are listed on any of the Canadian exchanges. The net profits for 1899 were \$282,000, as compared with \$182,000 last year. Its capitalization is \$900,000 common, and \$300,000 6 per cent. preference. If the \$18,000 paid in dividends on preferred is deducted, the company has still \$263,000 available for common stock. In other words, the net profit in proportion to its common stock, after paying the fixed charges mentioned, is in the neighborhood of 28 per cent. The company, however, have not been at all radical in carving up the surplus, and, after paying a dividend of 8 per cent. and a bonus of 2 per cent., it has carried \$100,000 to the reserve fund, making a total of \$140,000, and a balance of \$4,637.36 has been added to profit and loss, making the total at the credit of that account \$58,437.30. The directors have taken advantage of prosperous years to write down each year the assets of the company, and this year a further sum of \$69,000 was written off machinery and tools, and this year a further sum of \$25,000 has been written off this account. The large number of contracts secured during the year necessitated an expenditure of \$12,000 in patterns and drawings, every dollar of which has been written off. Of the sum expended in fitting up and furnishing the head office and warehouse of the company, 50 per cent. has been written off, although only just completed. Other accounts have also been treated in a conservative manner.

GENERAL ELECTRIC'S NEW ISSUE.

The company has announced that it will issue 3,000 shares of new stock at \$125. This should be a great opportunity for the investor. I consider that the stock of a manufacturing electric company is on a much better basis than an ordinary industrial, on account of the enormous possibilities of electricity in the future.

THE WAR EAGLE MEETING.

A number of Montrealeers went up to attend the annual meeting of the War Eagle mine on Wednesday, but there were no stormy scenes. Messrs. Gooderham and Blackstock reiterated their statements that they had the fullest confidence in the property, and that what they did was in the best interests of the mine. Most people will admit these statements. It was not so much what they did, as the "nawsty way they done it."

R. & O. IS HIGH ENOUGH.

Richelieu & Ontario is a company which has every good prospect in store. The lower St. Lawrence tourist traffic is only in its infancy. The virtual control of the water route

between Toronto and Montreal is a most valuable franchise. The company last year added nearly \$100,000 to its receipts, while operating expenses increased \$83,000. The net profit, after providing for fixed charges, increased to \$128,730, as against \$112,027, or an advance of \$16,703. After paying a 6 per cent. dividend, the company has a surplus of \$24,330. The company in the past, has suffered from a non-progressive policy, but such complaint cannot now be made; and while its dividend returns leave little for reserves, still it may be relied on in the future to show much larger gains under its new policy. The stock, however, is quite high enough in view of the company's lack of reserves.

G. T. R.'S PROGRESS.

The Grand Trunk Railway keeps on its course of showing large gains like its rival, the C. P. R., but the advances are not quite so pronounced. If these gains in G. T. R. continue the second preference stock should get a five per cent. return for 1900. Sixteen years ago the Grand Trunk paid five per cent. on both first and second preference, and present prices are the highest since 1885. It speaks volumes for the improvement in the conditions of the country and the methods of the new management, when it is recalled that four years ago, when Mr. Hays assumed the management of the road, first preference stock was quoted at 26 and is now at 92. There will be some hope for the holders of third preference yet, and in another 10 years even the common holders may have a glimpse of a dividend.

NO RELIEF YET.

The relief of Kimberley did not relieve the stock market as expected. One may look to a good deal of unsettledness in the New York market owing to the near approach of the Presidential election contest. In London, the fear of a heavy war loan has a most repressive tendency. Still, securities should be higher. That they are not, is another vagary of the market.

FAIRFAX.

MINING SHARES.

THE market is broadening out daily, and becoming more active and healthier. During the past week there has been a genuine boom in a few specialties, and the public is again looking with favor on mining speculation. While the collapse in War Eagle was disastrous to many, the shake up has been beneficial to the general list, and people are inquiring more what is the actual return on the investment, of a dividend payer, or the prospects of undeveloped properties.

A message was received to-day, just before the close of business, that the War Eagle meeting was harmonious, but it had no effect on the stock, and it looks as if it would take more than pleasant gatherings to instil life into its position on the market.

Payne had a sensational advance on the announcement of the settlement of the miners' strike, and "street" gossip regarding a dividend, but whether the company pays a dividend shortly or not, it is probably to-day the best purchase amongst the high-priced securities. The mine is a great one, and the manager is undoubtedly one of the most capable men in the country.

Rumor has it that Republic will shortly get out of the rut, and take a boom. An effort was made recently, but the manipulation did not succeed. Now it is claimed that "a truce has been signed," and when the loose stock is gathered in, an upward movement will begin.

Among the low-priced securities there has been a fair business doing, but the fluctuations in prices, with a few exceptions, have been narrow. Slocan Sovereign advanced to 36, in sympathy with Payne, but fell off again. This stock is probably good at a price, but there is too much floating round just now, and, until the Montreal London Co.'s option is up, it will not advance.

The Boundary stocks are heavy for some unexplained cause. Knob Hill if offered from the West at 60 and there is no demand. Whether the returns of \$10 per ton from the smelter for the B. C. ore is the cause or not it is hard to say. But it is the general opinion that Boundary ores are low grade and that would seem to be a good result.

Deer Trail has declared its dividend, as usual, but it has not affected the stock. It should be cheap, but the public are not convinced that the consolidation has been beneficial, and, until it is proved that it was not a plant to sell the Bonanza, investors will keep shy of it.

The market is assuming the shape I have anticipated for some time past, and now any fair proposition is a tolerably safe purchase.

Montreal, February 21.

ROBT. MEREDITH.