

## MONEY AND MAGNATES

MARKETS HAVE HAD QUITE A REACTION.

WHILE it may be another case of "I told you so" after the thing has happened, it may be allowed us to draw attention to the fact that only two weeks ago we pointed out to our readers the high point at which the stocks on the Montreal and Toronto Exchanges were selling and expressing the opinion that the high level had pretty nearly been reached. Since that time the markets generally have reacted on an average of from eight to ten points.

The lower prices that now prevail are a result of the technical position of the market, the many pools that were operating having been closed out. With these out of the way there was not any longer the same incentive for brokers to boost prices and when it was noticed that stocks were standing still quite a few holders decided to get out even though it should be necessary to offer their stock down in order to sell it. With a new crowd of traders coming in around present prices the market position should be much stronger for some little time to come.

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PET SCHEMES OF LEADING CAPITALISTS.

WHILE the leading Canadian capitalists, when they have any big scheme on, like to secure the assistance of the Canadian public by getting them to take stock in their concerns, they also usually have some "pet concerns" that are such big money-makers that they never let the public have a chance of getting in on the stock. They rather make the corporation a close one and do not even list the stock on the exchanges.

One such institution down in Montreal is the Dominion Bridge Company, the enormous plant of which is situated a few miles out of the city at Lachine. Mr. R. B. Angus, Mr. James Ross and a few other interests who induced so many of the Canadian people to invest quite a little of their money in the Dominion Iron and Steel and Dominion Coal Companies, have always held on very tightly to their stocks in the Dominion Bridge and there is always an understanding that if any of the few shareholders might like to sell out, that they will first offer their stock to the other shareholders. The reason of this may easily be imagined when it is known that dividends at the rate of from twenty to twenty-five per cent. are usually paid by the company. Other concerns that enter the same class are the Canada Sugar Refinery and the St. Lawrence Sugar Refinery. Although the number of shareholders in the latter concern is very limited, very few of them have the slightest idea of the showing the company makes because it does not issue any printed report and at the annual meeting the general manager reads over the report so quickly and in such a low voice that it is absolutely impossible to take down, even on your cuff, enough figures to enable you to form an idea of just how the concern is getting along. The shareholders need not worry very much, however, because for some years past they have, on an average, received twenty-five per cent. per annum in dividends and bonuses.

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HOW FINANCIAL "NEWS" IS GATHERED.

PERHAPS no department of the daily press has shown such marked development during the past few years as the financial news department and the question is so often asked, "How do you get so many financial stories?" Where a few years ago the papers even in the bigger cities were content to publish the daily stock exchange sales and quotations, whole pages are now daily given up to financial news and gossip pertaining to various securities and companies.

The first answer to the question, "How do you get so much financial news?" that would be made by the financial editors of the bigger dailies would very likely be, "From the other fellow." That is, from the fellow who is not particularly interested in some deal that is being arranged and is therefore not so keen to have the facts kept quiet till the whole thing has been arranged. For instance, in most deals it will be found that at least a few brokers have been taken in with a view of attending to the market end of the deal after it has been arranged. The latter generally discuss the deal "in private" and "quite confidentially" with other brokers and it is usually not long before one of the latter will be chatting with one of the financial editors and will have mentioned to him that such and such a deal is being arranged and if he were to see so and so he would likely give him all the facts.

The case of the other fellow is also particularly true in the case of the leading banks. While bank managers and officials are not very much disposed to discuss the affairs of their own institution, they are usually, in the course of conversation, quite willing to tell you quite a few things about some other institution. This applies to proposals to increase capital, plans for new buildings, changes among leading officials, etc.

Then, as a rule, the big capitalists, almost without exception, are very approachable. When a financial editor gains their friendship and confidence they may be relied on to tell him when there is anything "doing" and in order to prevent the news from leaking out they will generally tell him the whole thing and have him promise not to use it until the whole thing has been arranged. Usually brokers who are directors of different corporations are always good friends of the financial news men. They always know a good deal about the corporations and when they want anything made public in order to help the market operations in the stock of the corporation they always know where to find the financial editors and have them handle the "news" to best advantage. As a rule the leading capitalists have a very keen appreciation of what is "live news" and a striking instance of this was given by a director of the Merchants Bank whom I met by chance one day just after the meeting of the Board of Directors. In passing he casually remarked "Go over and ask Mr. Hebden if he has been appointed general manager." Of course when I thought over his remark there was not any need of going over to the bank to see Mr. Hebden, the intimation the director had given being quite sufficient to make it clear that the appointment had been made.

In an active market there is always lots of news because every broker and trader along the "Street" has some news or gossip. When the market, however, becomes dull, there is always a great scarcity because brokers even if they have favourable reports do not want them to get out because the market will not show its appreciation of them.

In no other department has a man to be so careful in handling advance information because many a good deal has been spoiled by the "news" getting out a little too soon.

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