

Affairs in London

(Exclusive Correspondence of The Chronicle).

Recent New Canadian Flotations: Official Particulars—Present Circumstances of the London Market for New Issues—Necessity of Thoroughly Sound Propositions.

There has been a great rush of Canadian new companies, and I am very doubtful whether they have all been successful. For some time past the British public has been anticipating a "boom" in timber companies, owing very largely to the big timber interests of the Northcliffe family, which are pushed well to the front in the Daily Mail, and the talk of a timber famine. The public were bitten rather heavily during 1910 by these so-called "booms," such as those in rubber and oil, and are saddled with some millions of pounds of shares which they have no means of selling. Subscriptions to new companies must, therefore, be looked for, not from the big body of small investors, but from large capitalists and investment houses. A large part of these have lately turned their attention to "home" securities which show decided signs of revival, as trade is booming and the Coronation month is expected to bring many millions of visitors to London. The Bankers' Magazine figures for April show an increase in the aggregate value of 387 representative securities of no less than £18,042,000 during the month ended April 20th. Promoters of new issues must, therefore, possess thoroughly sound propositions if they wish to have them well received. The following are particulars of some of the companies issued this week.

CANADIAN TIMBER INVESTMENT COMPANY, LIMITED.

Formed to acquire and hold timber properties in the Dominion of Canada and elsewhere, the primary object of this Company is to purchase 97 leases in British Columbia, estimated to contain 1,341,730,000 feet of timber (board measurement). These properties, conferring the right to cut timber upon approximately 96½ square miles, are held under timber licences issued by the Government of British Columbia, and are subject to an annual Government rent of \$140 per square mile, being equal to \$13,580, or about £2,800 per annum, and the usual royalty of 50 cents per 1,000 feet, payable to the Government, only as and when the timber is cut. Mr C. F. Pretty is the vendor. The purchase consideration has been fixed at £179,000, payable as to £20,000 in cash, £60,000 in shares, and the balance in shares or cash. This price is subject to reduction in the event of the cruisers reporting that the quantity of timber is less than the amount stated. The authorised capital is £400,000 in shares of £1, and applications are invited through Lloyds Bank, Limited, and Messrs. Hoare for 150,000 shares at par.

ANGLO-CANADIAN TIMBER COMPANY OF BRITISH COLUMBIA, LIMITED.

This new undertaking has an authorised capital of £250,000 in shares of £1, of which 122,287 shares are to be allotted to the vendors in part payment of the purchase price. There are now offered for subscription £225,000 6 per cent. first mortgage debentures (part of £20,000 authorised) at the price of 95 per cent. In addition to the fixed 6 per cent. interest, the debentures are entitled to

a participation in profits to the extent of a further 2 per cent. after the issued share capital, for the time being, has received in any year 15 per cent. The object of the Company is to acquire, hold and develop timber areas in British Columbia. The directors have accordingly secured 74 timber limits aggregating 47,360 acres. These are situated in the district of Kitimat, within easy distance of Prince Rupert, the Pacific terminal of the Transcontinental railroad—the Grand Trunk Pacific—and close to the terminus of the Kitimat branch of that line. The price at which the company has secured these timber limits is £243,287, or at the rate of \$1 per 1,000 feet, board measure, on the amount of timber estimated to be on the property. This price is one-half of the expert valuation of the property—£486,500—and is payable, as to one-half in fully-paid shares and the balance in cash. This price is subject to be increased or diminished according to the result of a detailed survey which the Company has the option of making.

COLUMBIA RIVER LUMBER COMPANY, LIMITED.

Subscriptions are invited, at the price of 89 p.c., towards an issue of £600,000 5 per cent. first mortgage debenture stock of this Company, forming part of a total limited to £1,000,000. The stock, which is guaranteed unconditionally as to principal and interest by the Canadian Western Lumber Company, Limited, is repayable at par on June 1, 1946, by means of a cumulative sinking fund, based on a payment by the Company in each year, commencing 1912, at the rate of \$1.50 for every 1,000 feet (board measurement) of timber sold during such year, with a minimum for each period of three completed years of 7 per cent. on the amount of stock at any time issued, or such larger amount as may be necessary to redeem the whole of the stock by 1946. The Company claims to own the largest individual holdings of standing timber in the interior of British Columbia, composed of forty square miles of timber lands, owned under crown grants, about 500 square miles of timber held under lease from the Dominion Government, and fifty-six square miles of timber held under license from the Province of British Columbia, aggregating in all, approximately, 382,000 acres, or about 596 square miles.

THE TEXTILE INDUSTRY.

There is a big movement going on in the textile industry, and most of the English companies engaged in this direction are, it appears, likely to show increased profits. Hence, considerable interest attaches to the Canadian Cottons issue this week through the Canadian Agency of £376,000 5 per cent. first and refunding mortgage bonds at the price of 94 per cent. The bonds form part of a series of \$5,000,000, of which \$3,800,000 (including the bonds now offered) is issued. They are repayable on July 2, 1940, at par, but the Company reserves power to redeem all or any part of the bonds at any time before maturity at 105 per cent. and accrued interest on any interest date, on six months' notice.

The prospectus points out that the profits are sufficient to meet the interest on the whole of the bonds issued (including those now offered) more than two and a half times over.