

Corporation Securities Market

Grand Trunk Railway Borrows Twenty-Five Millions in New York—Whole Issue Subscribed Within One Hour—Massey-Harris Company Also Sells Securities in the United States—Two Other Canadian Corporations Making Loans—Trend of Stock Prices Irregular—Some Issues Retrieve Losses

AN irregular stock market was in evidence at the close of the New York exchange on October 6. Industrial issues, which had previously shown a strengthening tendency, developed a reactionary movement, while railroad stocks were lower. Strength in some issues, however, prevented any serious development. While business is in the course of readjustment, it is only natural for the stock market to be irregular, such as it has been for the past few weeks. The decrease of 2 per cent. in the reserve ratio of the New York Reserve Bank last week is an indication of conditions prevailing. The decrease is accounted for by the needs and demands of interior banks and by October 1 settlements. Interior centres, as is quite natural at this time of the year, are drawing heavily on New York and other reserve centres for credits in connection with the crop financing. In addition, manufacturing centres are taxed to meet the needs of borrowers whose inventories are affected by the current price adjustments.

Canadian markets did not altogether follow Wall Street, although the reactionary movement was prominent at times. At the close, however, some good recoveries were made by many issues which had lost during the week, indicating their independence of New York. Temporarily, papers have ceased to be the market favorites, and consequently have been forced to lower levels. Spanish River was especially weak in that section. Merger issues, which gave such a remarkable exhibit of strength last week, failed to maintain that position. Atlantic Sugar was prominent among those stocks which retrieved their losses.

Money continues to be the principal factor, and until the situation changes, it is recognized that the stock markets will continue their irregular course.

Grand Trunk Borrows in New York

Offering of \$25,000,000 7 per cent. 20-year sinking fund gold bonds of the Grand Trunk Railway was made this week in New York, by a syndicate of American investment houses, at par, and within one hour the whole issue was taken up. This is the largest piece of financing made by a Canadian corporation in the United States since June last, when the Canadian National Railways floated a loan of \$15,000,000 there. Canadian railway borrowings to date this year total more than \$70,000,000, and all of the securities have been disposed of across the line.

The bonds, which will be dated October 1, 1920, and will mature October 1, 1940, will be the direct obligation of the Grand Trunk Railway, which now is part of the Canadian National Railways System, and will be guaranteed as to principal, interest and sinking fund by the Dominion government. An annual sinking fund of \$500,000 is to be provided to pur-

chase bonds offered in the open market at prices up to par and interest.

The syndicate offering the issue is headed by Wm. A. Read and Co., and is comprised of the Guaranty Trust Co., the National City Co., the Bankers' Trust Co., Lee, Higginson and Co., and Blair and Co., all of New York, and the Continental and Commercial Trust and Savings Bank of Chicago.

Massey-Harris Offering

Another piece of financing of considerable importance is also being completed in New York. Wm. A. Read and Co. announce the offering of \$4,000,000 8 per cent. sinking fund gold debenture bonds, dated October 15, 1920, and maturing October 15, 1930, of the Massey-Harris Co., at par and interest. The bonds are a joint obligation of the Massey-Harris Co., Ltd., Canada, and the Massey-Harris Harvester Co. Inc., of the United States.

The business carried on by the Massey-Harris Co., Ltd., was established in 1847 and the company is now the largest manufacturer of agricultural implements in the British empire. The company operates throughout Canada, and has large business in Great Britain, Australia and other parts of the British empire, and in Europe, South America and Africa. The business of the Massey-Harris Harvester Co., the United States subsidiary, was established in 1850.

It is understood that the whole amount raised by the sale of the bond issue will be required for extension of the American subsidiary at Batavia, N.Y.

Ottawa Power Bonds

One of the largest recent pieces of Canadian public utility financing, and one that is believed to be the forerunner of important hydro-electric development in and about the city of Ottawa, is the purchase by Royal Securities Corporation and Harris, Forbes and Co., for issue in the United States, of \$1,200,000 first mortgage and collateral trust bonds of the Ottawa Light, Heat and Power Co.

There are upwards of 1,000,000 h.p. of water power available in the Ottawa district, and it is understood that the proceeds of the new issue will be largely utilized to acquire additional developed water power, the purchase of which is rendered necessary by the rapid growth of the Ottawa Light, Heat and Power Co. It will be recalled that the last public financing effected by the company was the issue in March, 1919, by Royal Securities Corporation of \$850,000 of Ottawa Gas Co. refunding mortgage bonds.

The new bonds will be almost wholly distributed in the United States, principal and interest being payable in New

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UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison, Jr., & Co., Toronto
(Week ended Oct. 6th, 1920.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abitibi Gen. Mtge. 6's '40	92.50		Cuban Can. Sugar. com.	38.50		King Edward Hotel. 7's.	73	79	Steel & Radiation. 6's	70	
A. ta. Pac. Grain. com.	162		 pref.	67	70.75	Manufacturers Life.....	175	206	Sterling Bank.....	107	115
..... pref.	80	86	Davies, William..... 6's	97.50	101.50	Massey-Harris.....	95	102	Sterling Coal..... com.	20	
Ames Holden Felt. 7's	90		Dom. Foun. & St. com.	61	95	Mexicani P. & P. com.	59	61	Toronto Paper..... 6's	85	89.50
Belding Paul..... pref.	82.50		8% pref.	90		Mexican Nor. Power. 5's	9		Toronto Power. 5's (1924)	83.50	87
..... com.	54.50		Dom. Iron & Steel 5's 1939	68	72.50	Murr-K..... 7% pref.	62	70	Trust & Guar.....	72	
Black Lake..... com.	14.50		Dom. Power..... com.	45.50	50	National Life.....	160		United Cigar Stores com.	50	
..... pref.	22		 pref.	89	93.50	North-Am. Pulp.....	6.25		 pfd.	1.70	2.00
British Amer. Assurance	10	13	Dryden Pulp.....	37	38	North Star Oil..... com.	4.50		Western Assurance.....	10	12
Can. Machinery com.	32		Dunlop Tire 7% pref.	89	94	 pref.	3.50	3.85	Western Canada Pulp..	45.25	46
..... pref.	59		 6's	96	89	Nova Scotia Steel 6% deb	75	80	Whalen Pulp..... com.	45	
Can. Oil..... com.	65		Famous Players. 8% pfd.	88	92.50	Page Hersey..... 6's	95	98	 pref.	70	
Can. Westinghouse.....	100	106	Goodyear Tire.. pref.xd.	88	90	Pantaxes Theatres. com.	89				
Can. Woollens..... com.	53	55.50	Gunn's Ltd..... pref.	90	95	Peoples Loan & Savings.	20				
..... pref.	85		Harris Abattoir..... 6's	90	102	Riordon. com. (new stk.)	83				
Cockshutt Plow 7% pref.	60	67	Home Bank.....	98	115	 pref.	83	85			
Coll ngwood Shipb'ds. 6's	91		Imperial Oil.....	108	60	Robert Simpson. 6% pref.	74	77			
Crown Life Insurance...	72		King Edw. Hotel. com. xd.								