

# CRITICIZING MUNICIPAL BORROWING IN NEW YORK

(The following cable messages of the Canadian Associated Press and the Montreal Star are printed by special arrangement.)

## REGINA IN THE MARKET

†London, June 11.—The Canadian Northern has placed bills for £850,000, to run for a year, on a 4½ per cent. basis. The city of Regina is shortly inviting tenders for about £700,000 long-dated stock.

## KIRKLAND LAKE PROMOTIONS

\*London, June 11.—A number of new Kirkland Lake promotions are being arranged. The Financial Times publishes an encouraging report on Kirkland Lake camp by Rowland Fielding, A.R.S.M., but adds a warning against initial overcapitalization.

## GOVERNMENT LOAN WILL BE ABSORBED

\*London, June 11.—The fact that 88 per cent. of the Canadian government loan is left with the underwriters is not unexpected. An early public absorption is, of course, assured. The scrip is quoted at one-half discount.

## ASKING ASSISTANCE FOR INVESTORS

†London, June 13.—The Yorkshire Post's London correspondent says the Canadian government has been invited to take steps to prevent misleading statements being made to British investors by persons professing to seek capital for Canadian development.

## WATCHING CANADIAN PRICES

†London, June 11.—Movements among securities with which the Canadian Agency was concerned were closely watched to-day. Western Canada Land debentures dropped to 65, South Winnipeg to 64, Algoma Steel to 81. Canadian Car dropped half a point, Lake Superior fives rose 1 and Southern Alberta sixes 2.

## CANADIAN NORTHERN BILLS

\*London, June 11.—An issue of £850,000 Canadian Northern one-year bills is being negotiated here on a basis of 4½ per cent. The bills are secured by a deposit of 3½ per cent. debentures guaranteed by the Dominion government, which were taken as security at the price of 70 per cent. The issue is really a transfer of a loan from New York, replacing notes placed in New York last year which mature July 15.

## CONDITIONS WILL SOON BECOME NORMAL

\*London, June 16.—Hon. G. H. Perley is being much questioned by interested Englishmen about Canada's industrial and financial situation, especially in view of Canadian Agency and similar entanglements.

Mr. Perley's replies may be summarized as follows: "Money carefully invested in Canada will bring as good returns as any part of the world, but people must look carefully before investing here as elsewhere. If Englishmen purchase subdivision lots outside cities or shares in Alberta oil wells they must do so at a speculation, not an investment, but I don't see how people can go wrong in carefully chosen real estate in the heart of cities, or first-class bonds or preferred stock in well established concerns. We expect Canadian conditions will soon become normal again."

Sir William Van Horne is also being much questioned in financial circles. He speaks with the utmost contempt about certain recent disclosures of Anglo-Canadian finance and methods and doings of speculators in London. He tells everybody they have nothing whatever to do with the prosperity of Canada.

\*Montreal Star cable.

†Canadian Associated Press cable.

## INVESTIGATIONS WILL TAKE TIME

†London, June 11.—The Canadian Press learns that nothing definite in regard to the recent suspensions is likely to develop for some time. The magnitude and complexity of the affairs involved will require considerable unraveling.

## PUBLIC WANT FIVES

\*London, June 13.—Commenting on the result of the Canadian government loan, the Financial News says: The public will not lend to the Dominion at four per cent., when they can get 5½ and 5 from great Canadian municipalities. Trustees, of course, have no option, but the general public has and he knows it.

## SOUTHERN ALBERTA LAND COMPANY

\*London, June 11.—Canadian Agency complications are being gradually uncovered. Shareholders in its progeny, the Southern Alberta Land Company, now placed in the hands of a receiver, will probably have to sacrifice some of their rights in order to provide security for fresh capital. The half-yearly interest on the debentures is due July 1. Moreover, the company guaranteed a dividend of five per cent. on the shares of the Canadian Wheatlands, Limited, Alberta.

## LONDON OR NEW YORK MARKET?

\*London, June 13.—The Times publishes a cablegram from its New York correspondent, criticizing the rumored city of Montreal proposal to float \$7,300,000 bonds in New York, instead of London. The correspondent says there has not now and never has been in the United States a market on a large scale for Canadian municipals. United States banking houses only buy such bonds to hold at a low price until London is ready to absorb them. This is a costly game for British investors, who have to meekly foot the bill. The correspondent adds, "Shrewd American observers ask if Canada is willing to sell bonds at a discount why they are not offered to British investors direct at a low price. The Canadian governments and cities obtained such vast financial support from Britain that British investors are certainly entitled to benefit from any bargain that may be around in Canadian municipal bonds."

## FINANCIAL COMPANY'S RAMIFICATIONS

\*London, June 13.—John Hansen, general manager of North Saskatchewan Land Company, who sails on the Lusitania to-day, states there is every reason to expect the company's rearrangement scheme will go through without opposition at an adjourned meeting of the bondholders next Friday.

Great uneasiness is felt at the ramifications of the Canadian Agency difficulties uncovered, especially those due to Mr. A. M. Grenfell's personal actions. A circular issued by the Western Canada Land Company, of which Mr. Grenfell was a director, shows a deposit of \$270,000 made with the Canadian Agency, is now regarded by the board as valueless.

An unfortunate impression is made by the retirement of Major-General Sir Roland Lane from the chairmanship of the Western Canada Land Company on the ground of health, leaving Messrs. John R. Tennant and P. W. Machell as the remaining members of the board, who are now summoning shareholders to consider its position.

Commenting upon the Western Canada Lands' deposit with the Canadian Agency, the Financial News says:—

"Shareholders generally must exercise great future vigilance as to the domicile of their funds."

"Western Canada Land shares now stand at about 7 shillings, compared with 16s. 3d. at the beginning of the year, while five per cent. debentures stand at 67½ against 91."