

## BAD EFFECT ON INVESTOR

### May be the Result of Quebec and Lake St. John Railroad Fiasco—Canadian Mines in London.

Monetary Times Office,  
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English finances are unsettled, and although money is plentiful and the rate low, the conditions are unsatisfactory, with the result that large amounts which might be invested, is held inactive during these periods of uncertainty. It is stated that some twenty-five million sterling of taxes are still unpaid, and this amount cannot be legally demanded until the Budget is passed, so that the taxpayer has to retain an amount equal to the tax demand in ready cash, and the banker who is holding this money dare not invest it even in a three-month loan since six weeks or two months may make the money pass from his hands into the Imperial Exchequer. These conditions cannot but be prejudicial to the tradings of the country, and the immediate result is that small loans for short periods cannot be satisfactorily handled since the Government bills are constantly requiring fresh capital to meet immediate current demands. From a Canadian point of view things are satisfactory, offerings being well received and prices well maintained, and further, since British capital is being driven abroad, the Dominion may reasonably expect to find in this market a ready sale for her securities provided the prices are right and the security unquestioned. As an evidence of the high standing of Canadian securities it is pleasing to note that the last Dominion Government issue of  $3\frac{1}{2}$  per cent. stock at 99 continues its upward course, now standing at  $1\frac{1}{4}$  to  $1\frac{1}{2}$  premium. The explanation of this is the recognized intrinsic merits of the security.

#### General Reception Good.

During the last few days two Canadian offerings were before the public. The British Columbia Electric Railway Company, Ltd., who sought £530,000  $4\frac{1}{4}$  per cent. perpetual consolidated debenture stock at par. This was well received, and over three times subscribed. The Amalgamated Asbestos Corporation, Ltd., offered some \$7,000,000 first mortgage 30-year 5 per cent. sinking fund gold coupon bonds at 92½. This was offered in three countries and was largely underwritten some nine months ago. The result in London has been satisfactory, and although the prospectus has been criticised in some directions the general reception has proved satisfactory.

The Canadian Northern Railway will shortly ask for £1,000,000  $4\frac{1}{2}$  per cent. perpetual consolidated debenture stock at 95. The demand for underwriting is said to be in excess of the amount asked for. It is gratifying to note this fact, when it is remembered what large amounts have been secured in this market by the Canadian Northern.

#### Effect on the Investor.

The difficulties which have arisen between the bondholders of the Quebec and Lake St. John Railway, and the management of the Canadian Northern is unfortunately still much before the public, and rightly or wrongly certain of the press persistently, adversely criticised the C.N.R. management, and frankly state that an injustice is being done to the bondholders in favour of the holders of the common stock, in other words, the Canadian Northern Railway Company, who recently at a very low price secured control of the common stock. As stated in my former letter, it is a great pity that anything would occur which would seem unfriendly or unsatisfactory to English bondholders in any Canadian Corporation, and it is to be sincerely hoped that the negotiations now being carried on, and the triple investigation which is being held will result in some satisfactory settlement at the next joint meeting.

It must not be forgotten that the sponsorship assumed when a bond issue is made cannot be transferred, but must remain a responsibility throughout the existence of such bond, hence the great care taken by the leading Canadian banks in London as to the quality and standing of the securities that they put upon this market. It is a well-known fact that the London management have frequently been criticised for their conservative actions; and in some quarters the opinion has been freely expressed that less care would result in increased business, forgetting that it is not for the present Canada is working, but that these institutions have to consider the ultimate effect of any transaction upon the future business that may be offered to the British public and can best serve the Dominion by safeguarding as far as possible the interests of the British investor.

#### Bank of British North America.

The annual meeting of the Bank of British North America was satisfactory, and the address of the chairman, Mr. E. A. Hoare, contained a number of interesting and instructive facts, which have been largely quoted. He dealt with the bank deposits of the Dominion, the amount of English capital invested, the yield during the year of, the farm,

the orchard, the forest, and the mine, and gave them in such a way that their advertising value to the country should be great, since so many of the wealthy people will read such addresses and statements, but would pass over the ordinary announcements of Provincial or Dominion Governments, or their representatives.

The British Empire Agency, Limited, of London, have established a department which should prove of much benefit to many Canadian commercial and industrial enterprises. This corporation is arranging with a large number of people on this side possessed of greater or lesser amounts of money, to find for them sound, suitable and satisfactory investment in Canada, either as full partners in small running concerns, or bond or shareholders in larger incorporated companies, and with this end in view are in communication with a number of such concerns in Canada, and are prepared to open up negotiations with strictly reliable concerns.

#### Canada's Share of Russia's Trade.

The imports of agricultural implements into Russia, during the year 1909 should be read with interest by manufacturers in the Dominion. When one learns of the large business being done by the United States in Germany, and to some extent by Great Britain, there seems no reason why Canada should not get a full and increasing share, since the Canadian machines are well adapted for the Russian market. The bulk of the business is of course done during the earlier months of the year, and it is interesting to note that during that period last year the imports of such implements increased over 75 per cent. as compared with the corresponding period of 1908, in round figures being \$9,000,000 in 1909 as against \$5,000,000 in 1908.

It is satisfactory to note that the Dominion Government are concluding arrangements for an Austrian Steamship Service from an Atlantic port, and that the suggestions made by the Monetary Times some time ago have been carried out almost to the letter. It may now be hoped that the further suggestions for the development of South American business made in subsequent issues will be seriously taken up by the Canadian manufacturers to the mutual advantage of Canadian trade and the steamship companies.

#### Canadian Mines in London.

Why, is it asked, is it that the British papers are week by week publishing the result of South African, Australian, and Mexican mines, giving full details as to product, both in tone and value, the varying prices of its shares, comparative dividends, etc., etc., while scarcely a line appears regarding Canada? Canadian mineral products have now attained sufficient proportions to make at least a satisfactory weekly report. This could be done by the co-operation of the Provinces interested, arranging with someone in London to whom the facts and figures might be sent week by week, and then whipped in shape and given out to the press who would be glad to give it prominence. The facts regarding mines in general, even though they be controlled and worked by local or American capital should be made known in England, so that when the time came for English capital to be sought by really legitimate mining enterprises the public could intelligently consider the matter.

During the last few weeks a number of Canadian have introduced various propositions, chiefly power, wood and pulp proposals. It is to be feared that most of these will fail to obtain the desired capital, chiefly on account of their poor introductions. These seekers after capital would be well advised when going to the Old Country to tie up to some person or institution of established reputation.—T. R. Sea.

#### TESTS FOR BANK CLERKS.

These are said to be the latest tests for American bank clerks: Test for gambling propensity: Let the examiner have a ticker and a phonograph concealed in the room. During conversation set the ticker going and have a voice from the phonograph cry out:—

Atchison up three points, or Reading off and going down, and carefully observe the result.

If the examined man appears to take no notice, he may be recommended for continuance in office, but if his lips quiver nervously and he thrusts his hands in his pockets, and his eyes flit back and forth, while his face flushes with anxiety, then the examiner should recommend that all the funds and securities be spiked down without delay.

Test for the drink peril: Place before the men different colored pieces of paper, with the names of the various liquids conspicuously printed upon them—water, coffee, beer, wine, whiskey, highball, etc. Ask him to glance rapidly at each in succession, and repeat often. Notice particularly on which his glance rests longest and to which it returns oftenest.

If his eye rests longest on water or coffee, the danger from a perverted appetite is minimized. But if his eyes are attracted by "highballs," then put out the red signal in the