

## CANADA'S LOANS ATTRACTIVE—LONDON CABLES

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## GRAND TRUNK RATES

## Chairman Calls for Increase—Takes a Slap at Public Criticism

†London, England, October 23.—Presiding at the Grand Trunk meeting Chairman Smithers said from one point of view it was unsatisfactory that, with larger gross receipts, they had been unable to secure a larger profit. The cause was the large increase in wages and the cost of fuel and material. Yet, on the other hand, they had been able to maintain their position and meet charges on capital account.

It is a perpetual fight to maintain the position already won, declared the chairman, and as railway commissions, municipalities, employees and the general public are forever placing extra burdens on railways, or asking more concessions, the fight is a hard one.

Knowing the difficulties, I think our staff deserves credit for what it has accomplished. (Hear, hear).

Mr. Smithers, proceeding, expressed the emphatic opinion that, with all the demands now made on railways, they ought to have increased charges.

All over the world the railways are asked for more service and more accommodation for the same, or less, money.

To hear public men and the general public talk, one would think railway companies consisted of unscrupulous capitalists, whereas they are composed of investors, who throughout the world do not get an average return of 4 per cent.

I fully realize that railways must conform to the law, but I must respectfully submit that more consideration should be given to what they can really afford.

The necessity for higher rates is so urgent and demand so unjust, I cannot believe that the people of Canada and America will long resist it.

There has been a great deal of criticism of Canada, some of it quite just and moderate, some of an unnecessary croaking order.

The fact is that the Dominion has been going through a very trying period for eighteen months, brought about by ten years of extraordinary trade activity, during which new countries had absorbed an unprecedented amount of liquid capital. There had also been a haunting fear that war might involve the bigger powers, which led to hoarding of gold, and the curtailment of credit.

The report submitted was unanimously adopted.

The meeting was entirely harmonious.

## UNDERWRITERS NEED A REST.

†London October 20.—The Daily Chronicle, which has from time to time deprecated prodigal borrowing on the part of colonies other than governments, says that the underwriters here have evidently had enough of it, for they have decided to undertake no fresh issues until the public has disburdened them of a goodly portion of the issues they are now shouldering.

So long as they are given to petty municipalities, and other borrowers, to be prodigal, adds this paper, there can be little hope of any resolute recovery in the gilt edged market.

## MR. PLUMMER IS INVESTIGATING

\*London, October 23.—Mr. J. H. Plummer informs me that he is here in order to follow the latest developments of the iron and steel industry, with help from the company's expert adviser, and proposes to visit English and German steel works.

Asked regarding Dominion Steel finance Mr. Plummer recalled that he came to London last spring hoping to raise the needed additional capital, and found, however, that the market was unpropitious.

It was possible that the matter would be now taken up again, though the prospect was not immediately very hopeful.

\*Montreal Star cable.

†Canadian Associated Press cable.

## CANADIAN LOANS WERE ATTRACTIVE.

(Central News letter to The Monetary Times).

London, October 15th.—Among domestic securities, gilt-edged stocks have felt the chief effects of the rush of new emissions, not only from competitive reasons, but because the partial failure of so many loan operations has loaded underwriters, who in order to shoulder their burdens have followed the usual course of selling their most easily marketed securities. It seems as if the outcome of several recent flotations must tend to check the new issue movement before long, unless the investment market wishes to experience a fresh period of indigestion. The indifferent results of various Canadian operations, do not mean that Canadian securities are entering a new phase of unpopularity locally. It means merely that investors continue torpid. Unless London bankers had considered that Canadian loans would prove as attractive as any—perhaps more attractive than any—to the local appetite, they would hardly have been put to the forefront of the present new borrowing movement.

The indisposition of investors to bestir themselves is the more difficult to explain in view of the fresh evidences, which are accumulating that trade all over the country is slowing down.

## CANADIAN SECURITIES QUOTED IN LONDON

\*London, October 21.—Canadian funds in London are quoted as follows:—

British Columbia 3 per cent. registered stocks, 1941, 76-78.

Manitoba stocks, 1950, 91-93.

Newfoundland ins. con., 3½ per cent., 1945, 89-91.

Edmonton, 5 per cent. debentures, 1915-48, 94-97.

Edmonton 4½ per cent. debentures, 1917-49, 92-94.

Montreal permanent 3 per cent. debentures, 66-68.

## ARRANGEMENTS RE CANADA IRON

\*London, Oct. 23rd.—The Globe says: "Arrangements are in progress for the reorganization of the Canada Iron Corporation.

"It is reported that a scheme exists by which first mortgage bondholders have accepted debenture stock which is to be preceded by a first mortgage bond issue to provide fresh working capital.

"The plan is a drastic one, but apparently the directors had no alternative."

## CROPS WILL PAY FARMER'S DEBTS.

\*London, October 20.—Mr. Obed Smith, the Canadian emigration commissioner, in addressing the Passenger Agents' Association last night, set himself to reassure British investors. He said the prairie grain crop alone is computed to pay every dollar that every farmer in Manitoba, Alberta and Saskatchewan owes. What a poor time the emigration officials would have if every business in the Motherland was as well off.

"Winnipeg is actually receiving and handling more wheat per day than Chicago, Milwaukee and Duluth combined, so some people had better turn their sympathy towards these United States centres for they need it more."

Mr. Smith genially chided British editors for publishing "blue ruin letters" from disgruntled emigrants without attempting to verify the facts just because they seemed to be spicy stories against the Dominion. If the truth was desired the editors had better start on the friends in Canada, who had this year invited 42,000 British people to join them there. The Government meant to retain full force, throughout the winter, the guarantee of work for all landworkers and domestic servants. The farmers still needed help. Canada asked nothing from any man except that he succeed there.

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