

OUR WHEAT MARKET PUZZLES LONDON—CABLE NEWS

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OTHER REASONS FOR LOAN FIASCOS

Investors Sit Outside Till Flotations Are Over, Waiting for Later Market Bargains

(Central News letter to *The Monetary Times*).

London, November 1.—The decision of underwriters to refuse fresh capital flotation business for the present is bearing its fruit, and though the market has hardly yet felt the full effects of this decision, owing to the appearance of the £2,300,000 St. Petersburg loan and one or two smaller emissions, for which arrangements had been completed before underwriters had adopted their non-possimus attitude, the knowledge that the flood of new capital was to be stopped has appreciably tinged sentiment. With fewer opportunities offering to them outside the stock markets investors are more inclined to hunt around for the many bargains, which are now offering, and practically all the principal departments have felt the effects of this impetus.

Erroneous Ideas on Loan Fiascos.

In some quarters quite erroneous conclusions were drawn from the notable loan fiascos recorded during the last few weeks. The reserve of real buyers in these instances may to some extent have been bred of general conditions, but it is very clear from the satisfactory manner, in which the blocks of un-subscribed bonds, which were left with the underwriters are now being absorbed, that no deep-seated distrust existed. The truth would seem to be that in view of the non-success of so many preceding loan operations this year in London, investors have definitely adopted the policy of waiting until flotations are over on the chance of being able to pick up the scrips cheaper on market than by tender.

Underwriters to Blame.

Underwriters have largely themselves to thank for the development of this attitude among the public, because earlier in the year, when the investment market was in a state of congestion, they, on several occasions, invited the participation of the public directly in underwriting with the idea of better distributing responsibility in the case of the partial failure of offerings. The public has thus been spoiled, for on those occasions, it not only got the usual turn which is secured on tendering for a new issue, but they got a good portion of the underwriting commission as well, which is practically equivalent to the discount on new scrips, which they now seem to think is their due.

(Central News letter to *The Monetary Times*).

London, November 1.—The substantial recovery in Canadian Pacific has been partly in sympathy with American rails, and buying has certainly been in evidence from New York. But the improvement is also attributed to other important causes. Disturbing rumors of strain if not actual embarrassment, in Montreal, were current here. Emphatic contradiction of these stories both by cables and by Canadian banking representatives in London stiffened the Canadian group generally, and Canadian Pacifics have had yet another helpful factor in the payment a few days ago of the final instalment of £4,200,000 on the last share issue.

The approach of this payment was probably rightly held accountable for a good portion of the recent selling, especially as regards offerings on Berlin account, but now that no further calls have to be faced, there is judged in the market to be nothing between the stock and a materially higher quotation, if excellent current traffics are maintained, as would seem likely to be the case. Grand Trunks have not moved in sympathy with Canadian Pacific to any extent. The substantial increase in working expenses recorded in the half yearly report in conjunction with the smallness of current traffic gains, makes dealers less optimistic about the dividend outlook.

MAYOR OF LEVIS HUSTLING IN LONDON

*London, November 3.—Mr. Bernier, M.P., of Quebec, and mayor of Levis, while here has been studying shipping matters, and says the establishment of the new Quebec dry-dock, of which Premier Borden has just cut the first sod, is expected to lower the insurance rates for the lower St. Lawrence during the summer months. But as winter navigation will be a new departure, the rates will probably go up for the winter months.

Much satisfaction is expressed here that a drydock is being constructed to accommodate ships of war as well as merchant vessels. Mr. Bernier has been making the attractions of Levis for manufacturing and shipping enterprises better known here, hoping that the new dock and railway expansions will induce the advent of British industrial capitalists.

SAYS CANADA IS GOING TOO FAST.

*London November 3.—Colonel F. S. Meighen, president of the Lake of the Woods Milling Company, as a bank director, has mixed very much during the last few days with London financiers, and says:—

"The London market has not taken very kindly to Canadian issues lately. This is not altogether bad for us, as we were going a little too fast. In some respects Canada's trade is better than ever, but the weak spot is that too many concerns are over-capitalized. Some men have grown rich in Canada by selling wind and water to the British investor. I should like to see a Royal Commission appointed to examine this question and would recommend legislation to prevent over-capitalization. This over-capitalization is possibly the reason of London's recent attitude towards Canadian issues."

Colonel Meighen says that the recent allegation in the Times presumably originating with the Shipping Federation, that Canadian milling was a monopoly, is utterly false.

"What is really wanted," continued Colonel Meighen, "if ocean freight rates are to be lowered, is more tramp steamers into Montreal; these are only attainable by ordering sufficient British goods to bring the tramps with cargoes so they may return with wheat."

SECURITIES LISTED IN LONDON.

*London, November 4.—Listed to-day:—British Columbia Breweries, \$2,750,000 sixes; city of Ottawa, £189,600 four halves, with November 7 as special settling day.

SIR FREDERICK TAYLOR.

*London, November 4.—Sir Frederick Williams Taylor's appointment as general manager of the Bank of Montreal, was not unexpected here. The appointment deprives Canada, in England, of a most active and spirited champion.

DEMAND BRITISH COLUMBIA FISHERIES INQUIRY.

*London, November 4.—Disclosures of the British Columbia Fisheries Company's finances are characterized by the Financial Times as one of the most amazing confessions of mismanagement and reckless expenditure ever heard of. Some shareholders demand compulsory liquidation and a thorough investigation of the whole history of the concern and the exact present value of the properties in Vancouver.

CANADIAN NORTHERN LOAN WELL TAKEN.

*London, November 5.—It is officially stated that applications for a million and a half sterling of the Canadian Northern issue of 5 per cent. 10-year debentures at 95, amounted in all to 60 per cent. of the total.

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