

FINANCIAL EVENTS IN REVIEW RELATION TO FUTURE BUSINESS

Feeling of Optimism Gives Way Momentarily to One of Caution—News of Failure is Partly Responsible—Eventual Settlement and Greater Progress is Assured

By Geo. H. K. Mitford.

THIS week has not been without its quota of incidents in the business circles. In spite of the fact that better times were predicted, a condition has developed which casts a shadow on the momentary optimistic thoughts or predictions.

Possibly the most noteworthy event in the stock markets with which we are the most familiar, is the failure of a large and influential drygoods firm in New York City. Markets weakened on receipt of this information. General selling of holdings followed. Prices went down. Naturally, the outlook was "Is this failure the forerunner of others?" It would be difficult to say. It only lengthens that period to which I have referred to many times as the "waiting period." We can only wait and watch.

It is not to be expected that such news will restore confidence, but quite the contrary. New York was a heavy seller, as was Montreal on Thursday. This indicates a desire on the part of the public to liquidate, which desire appears to be well founded at this time.

BUT the failure of H. B. Clafin Company was not the only factor which had to be dealt with during the week. Earlier, investors were advised of the fact that negotiations in regard to the Brazilian loan had not been completed. It was thought on this continent that the matter was practically settled. The bankers had agreed, but the politicians had not, and therein lay the difficulty. The news of the failure of the loan will eventually be put thru. Again, we must wait. Its failure would prove most serious in view of the many things which depend almost directly upon it, however. As a result of the procrastination, foreign issues have dropped considerably. The best informed seem to feel that present difficulties will be overcome, and that final arrangements will be completed very soon.

THERE is an indisposition on the part of the investing public to enter the market just now. No doubt a great many have stepped away from it. Things are at a standstill in so far as financial markets are concerned. In the United States, an answer from Washington would assuredly help matters, and business would become more active. President Wilson has made the statement that the present legislation before the government will be the means of greater activity when it has once passed into law. In the meantime, however, the occurrences which are taking place, and the conditions reported from all parts are anything but reassuring.

A LEADING New York stock broker says: "The speculative community is obsessed with too great a pessimism; while there is some reason for this feeling in industrial circles there is not so much in the stock market viewpoint. We believe that stock market prices are now selling at ex-political demagogism, ex-low tariff, ex-business depression, ex-rate increase and ex-bumper crops." It seems reasonable to believe that he is right.

CURRENT events form a chain of evidence to prove that it is a case of getting down to "real value." Trade will be seasonably vitiated soon, and a more cheerful feeling will run thru the community. When the uncertainty is over, when the people know what they have to contend with then we may look for a

gradual rise, a wider view and optimism backed by action.

There is really no reason to believe, as some would have us believe, that the downward trend of things financial will everlastingly continue. Such events as have been cited here are certainly worthy of note, but do not indicate that the condition is one beyond repair—or, at least, should not be so.

While these recent events are being recorded, there is also being registered the greatest crop in the history of the south-western states. Further, the old-time farmers of the Canadian West say that they never remember seeing such promising conditions for a big crop as exist at the present time in the majority of districts.

THE west has been an excellent customer of the east for a long time. In the event of the big crop as at present indicated, it is reasonable to suppose that she will again order in large quantities. A Toronto manufacturer told me the other day, that his factory was working steadily in anticipation of this renewal of business.

The moving of the grain will mean business for the railways. That means equipment. Orders for steel products are said to be increasing. Work for the mechanics. The increase in the number of unfilled orders for trucks that have been recorded lately indicates more building in sight. The Mexican question has been discussed, and no matter what the outcome of the conference may be, a settlement one way or the other will be beneficial, and it is near at hand.

THUS it will be seen, that even the present conditions are not as unfavorable as they might be. The immediate future looks up with wonderful possibilities for trade expansion and business activity.

CIRCUMSTANCES surrounding the bond market are in direct reversal to those which existed but a year ago. At that time commercial enterprises absorbed surplus cash. As a consequence municipal debentures fell to low prices. Today an increasing amount of money is finding its way into this form of an investment. This is probably due to present trade conditions. Bond houses state that the price has a tendency to move upward, and as financial conditions become more normal it is their opinion that prices will greatly appreciate.

MINING stocks seem to have been more in favor of late than industrial. The market has not remained in any one condition for long periods, that is true, nevertheless trading has been fairly active, and prices have moved in a comparatively wide margin. The statement concerning La Rose property caused a break in that stock. It was to the effect that late developments had not been satisfactory. Peterson Lake has recovered some of its loss, but not all. It is, perhaps due to the fact that at the various properties steady enterprise is being conducted that the public is taking a more sanguine view of the mining market.

THERE is nothing on the horizon to lend assistance in deciding what form the anticipated change will take. There are no indications pointing to a specific time. The more impatient will find avenues of investment suitable to his requirements, and possibly at prices which will ensure good returns. The patient investor will continue to mark time with the markets. His opportunity will come when decisions are known, when the course is made plain, when the map of progress is a fixed certainty, and when legitimate enterprise needs his funds.

for the loan will decisively loose the French public's hoarded money. Moreover quite apart from the interests of present Brazilian bondholders, the delay in completing negotiations for the loan is highly embarrassing to the French and British creditors of that country on trade account. Prospects of the moment undoubtedly favor comfortable money conditions. But the outcome is still thought to depend so largely on the course of events in Brazil, Utiar and Paris that, until matters clear up in those quarters, no real return of confidence is possible.

The chief interest here in the Clafin failure centres on the question whether it must be regarded as indicative of general adverse conditions. American cables lead us to say no, but financial London thinks differently. There is no distinction between the blame on the Washington authorities; nevertheless, there is a feeling that the general tendency to penalize invested savings and capital disfigurement of chaos everywhere, and that combined with the exactions of labor, it tends to raise the cost of doing business—aggravating rather than relieving your social position.

Banking System. It is recognized that the successful inauguration of your new banking system is facilitated by the present conditions of slack trade and easy money; but it is also considered impossible that contraction of credit to at least some extent can be avoided in connection with the subscription by national banks to the regional bank capital. Therefore, this week's renewal of your gold export movement has been distinctly deprecated, and each additional shipment, instead of evoking

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pleasure in London at the resultant increase in European reserves of gold, occasional apprehensions regarding your requirements later.

Prices Were Lowered. The economic importance of your great wheat crop as a factor in your foreign trade and exchange market is recognized, but finer weather in Europe this week has lowered prices. While European purchases of American wheat in the coming season will probably be above the average, the doubtful question seems to be how far that advance may be offset by your larger import trade under the new tariff, and by the adverse influence on other lines of your export trade by the reduced purchasing power of other outside markets, notably Argentina and Brazil.

The most favorable fact in your international position is the absence of any substantial amount of your finance bills on the European markets, which you would have to cover later. This, however, will be offset in some measure by the further heavy maturities of your short-term foreign loans during the next six months.

Sales For The Week On Mining Exchange

Sales of week to June 26:	Value.
Dome Ex.	4,000 \$ 282.25
Dome Lake	2,370 285.70
Dome Mines	1,835 10,215.75
Foley	1,200 224.00
Hollinger	1,585 29,885.00
Horse Lake	500 460.00
Jupiter	4,500 376.87
McIntyre	2,500 141.50
Pearl Lake	4,200 141.50
Porcupine Crown ..	200 174.00
P. Imperial	38.25 26.25
P. Pet.	32,100 10,189.00
P. Vipond	11,200 3,141.50
Swastika	5,000 62.50
Bailey	7,700 64.25
Beaver	7,800 2,553.00
Buffalo	600 330.00
Chambers-Perland ..	1,500 262.50
Crown Reserve	4,500 5,100.00
Liquid Con.	2,500 27.50
Great Northern	500 32.50
La Rose	4,370 5,857.50
McIntyre	400 25.00
Nipissing	235 1,504.00
Peterson Lake	85,200 29,014.37
Timiskaming	5,200 442.00
Truway	700 127.50
York, Ontario	33,650 4,245.47
Totals	326,605 \$106,067.51

OFFERS OF LOAN MAY EXCEED PREVIOUS RECORD

PARIS, June 27.—The new \$100,000,000 loan already has been oversubscribed fifty

Dull Times

come and go—like-wise PROSPERITY. Changes from one to the other frequently take place suddenly.

Be Prepared is the Motto

Do not wait for the change for the better. Get your company incorporated, and ready to place on the market. Remember—the sun is always shining somewhere.

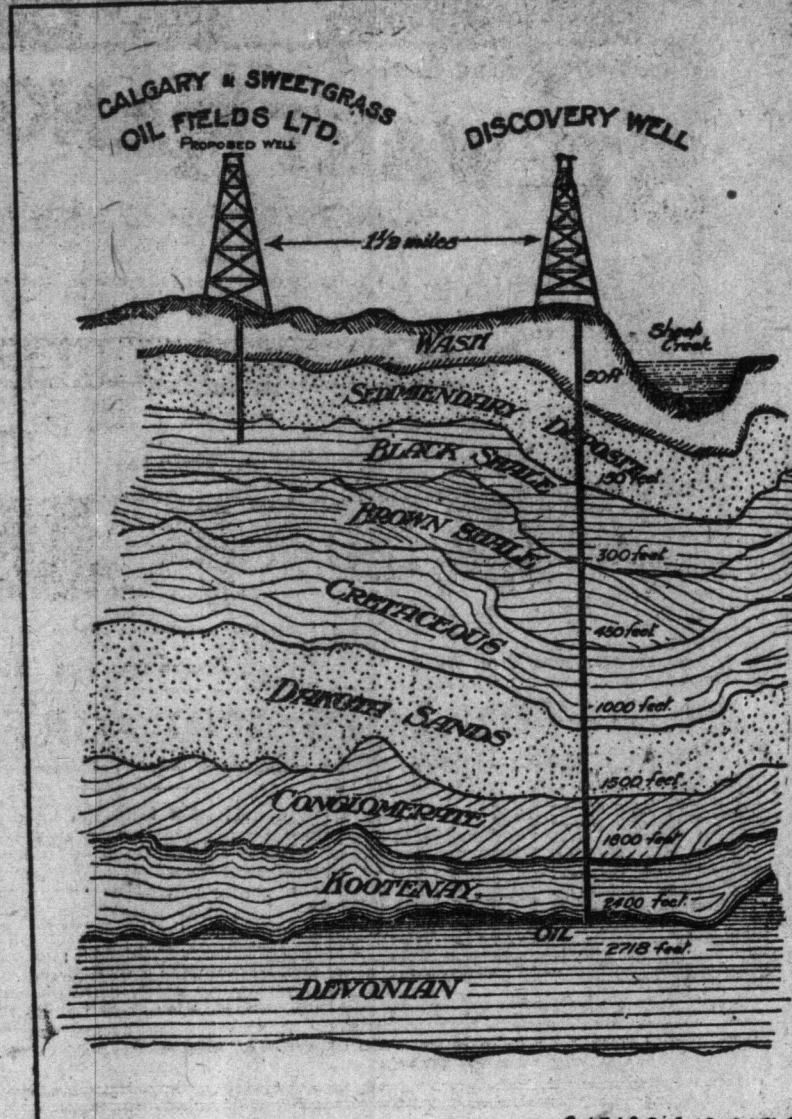
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BULGARIAN KING AS ANIMAL TRAINER Peculiar Hobby Taken Up by Royal Elephant Admirer.

BERLIN, June 27.—The coverings of Europe took and have had, some curious hobbies. The Kaiser has a distinct penchant for carpentry, while what King Christian does not know about the printer's craft is not worth knowing.

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SUCCESS OF LOAN AUSPICIOUS FACTOR

Delay in Completing Arrangements is Embarrassing to Creditors

GOLD MOVEMENT IS LESS

Economic Importance of the Wheat Crop is Recognized

NEW YORK, June 27.—The London correspondent of The Post cables as follows: The most encouraging factor in the European situation is the undoubted success with which the French Government has been placed on July 1. That is already insured by the more cheerful feeling will run thru the community.

Public Must Have Confidence

NO new enterprise is an investment. The public must come to have such confidence in the value of established going industries that it is eager to undertake the creation of new ones, anxious to speculate on the possibilities of building up new machines which will earn profits, before there can be any further material industrial progress in this country. It is of the utmost importance to the welfare of the country and the people, that such speculative confidence be created as will cause the stocks of mining, industrial and transportation companies to advance until they have an equal value to or in excess of the cost of reproducing the properties they represent. Until this is accomplished it is absurd to assume that there will be any general tendency toward the creation of new industries to compete with or supplant the activities of those already doing business.—The Boston Commercial.