

# GRAND TRUNK ATTEMPTED STOCK DEAL—CABLES

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

## GRAND TRUNK STOCK FLUTTER

### Member of Prominent London House Had a Big Scheme, But It Fell Through

\*London, May 12.—Arrangements were completed late yesterday for averting a big danger which was overshadowing the Canadian market, and in which Grand Trunks were especially concerned.

The crisis came to a head in view of to-day's settlement commitments of one who was a member of a prominent financial house, and which has now been taken over by four leading finance firms, mostly connected with the Stock Exchange.

The stock involved amounted to twenty-five million dollars, much of which has been recently liquidated, but provision is now made for the remainder.

#### Canadian Banker's Statement.

A high Canadian banking authority here gives the following statement: "We all feel much relieved. One essential cause for the general weakness in Canadian securities of all descriptions has been the knowledge that a very large bull account was open in Grand Trunks. The general feeling was, that if that went smash, other Canadian securities would naturally go with them, but owing to sympathetic influence, happily, Grand Trunk's position is now arranged with a powerful group of capitalists, who have taken over the stock.

To-day being settlement day, the tension is much eased in consequence.

The Financial Times, editorially, names the freight reduction proposals by the Railway Commission as among the causes of the uneasy feeling among British investors, but quotes Mr. White's assurances as evidence of the general outlook being now much clearer. If the harvest is good Canadian rails will quickly recover.

#### Clean It Up Now.

\*London, May 15.—It is understood that fifteen million dollars' worth of Grand Trunk securities were the chief cause of the embarrassment of the leading Canadian finance house here whose liabilities have just been taken over by five other houses.

The financial editor of The Daily Mail asks whether it would not perhaps have been wiser to clean up the mess here and now, instead of covering it up, with the risk of fresh trouble later. The high social connections of the firm in question make their difficulties a matter of wide interest, though the press references are generally most restrained.

#### Caused by Individual.

Later reports say the matter has been exaggerated, but that it was sufficiently serious. It concerned not a firm, but an individual, who until recently was partner in a moderately important financial house.

His chief commitments were in Grand Trunk shares, where he had a speculative position open of nearly three millions sterling. To prevent immediate forced liquidation, assistance was given, mainly by Stock Exchange firms and a few individual millionaires. The Bank of England was not concerned in the matter.

## CANADIAN ISSUES ABROAD.

\*London, May 8.—Recent issues which are at premiums are:—Dominion  $\frac{3}{4}$ , Grand Pacific 5, Montreal  $\frac{1}{4}$ , Winnipeg  $\frac{1}{4}$ . The following are at a discount:—British Columbia  $\frac{1}{4}$ , Edmonton  $1\frac{1}{2}$ , Grand Trunk  $2\frac{1}{4}$ , Nova Scotia  $1\frac{1}{2}$ , Point Grey  $1\frac{3}{4}$ , Toronto Power  $2\frac{3}{4}$ .

\*Montreal Star cable.

†Canadian Associated Press cable.

## SOUTH VANCOUVER SHORT TERMS.

\*London, May 15.—The city of South Vancouver has just placed a small issue of three months' bills on the basis of  $4\frac{1}{2}$  per cent.

## ALBERTA MAKES ISSUE

†London, May 19.—It was announced this afternoon that the London subscription for Alberta issue, which opened this morning, is already closed.

## CANADIAN PRICES IN LONDON.

†London, May 11.—Quotations this week are:—Alberta sterling bonds, 1922, 94 to 96; Manitoba sterling debentures, 91 to 93; Dominion of Canada, 92 to 94; Maisonneuve debentures, 1952, 98 to 100; Quebec consolidated stock, 84 to 86; Vancouver consolidated stock, 1953, 99 to 101.

## CALGARY OILFIELDS IN LONDON.

\*London, May 6.—The Calgary oilfields figure prominently in financial papers here to-day with a large map signed by Louis P. Bowler, showing the positions of 18 anticlines within the highly-petrolized Calgary oil zones, which are claimed to possess all the necessary adjuncts of successful mining, adding largely to the world's oil resources.

## NOVA SCOTIA STEEL PRESIDENT TALKS

\*London, May 15.—Mr. Robert E. Harris, president of the Nova Scotia Steel and Coal Company, who has gone to visit Scotland informs your representative that the conclusion of the arrangements between the Canadian Government and the Canadian Northern cleared away the clouds which were an anxiety to many people here. He was confident that satisfactory arrangements would be concluded between the Grand Trunk and the Canadian Government. The immediate expenditure in Canada of many millions in consequence of these arrangements would greatly assist in restoring confidence in business stability and also bring the steel industry of Canada orders for a large number of cars and other equipment during the last half of this year, which the Canadian steel companies anticipated would be unusually busy.

## TOO MUCH SUBSIDY

†London, Tuesday, May 19.—In an editorial on railway subsidies this morning the Times suggests that much political importance should be attached to the outburst in Canada of hostility to the Canadian Northern contract. The giving of bounties or guarantees is a sound method of facilitating the equipment of new countries with railways provided the authority granting them is really capable of making efficient investigations into the plans submitted, and is free from improper influences. In practice parliamentary bodies in new countries are not all that could be desired in either respect, but the errors they commit are oftener attributable to excess of enthusiasm for rapid development than to sinister motives. Several of the Western provinces, if not the Federal Government of Canada, have recently done rather more than was strictly prudent in this matter of railway guarantees, and it will not be a bad thing if the debates on the Canadian Northern subsidies should lead to a pause.