

EXPECT SIX PER CENT. RATE

Bank of England May Make Further Advance—New Capital Issues

London still expects a 6 per cent. Bank of England rate within the next few weeks. The advance in the rate a few weeks ago, according to the London Statist, is not a serious matter. It is intended to be precautionary, and as a notification to certain countries of the limited supply of gold in London. The notification is doubtless intended primarily for Germany, Russia, and New York, all of which are able to refrain from taking gold without suffering any serious consequences.

Rates of State Banks.

The following table shows this week's official minimum discount rate of all the European state banks, with the respective dates at which the present rates were established and the rates at the corresponding dates in previous years:—

Bank of—	Date of last change.	1913.	1912.	1911.	1910.
England	Oct. 2, '13	5	5	4	4
France	Oct. 31, '12	4	3½	3½	3
Germany	Nov. 14, '12	6	4½	5	5
Holland	June 25, '13	5	4	4	4
Belgium	Oct. 16, '12	5	5	5½	5
Austria	Nov. 15, '12	6	5	5	4
Italy	June 23, '13	6	5½	5½	5
Switzerland	Aug. 14, '13	4½	4½	4	4
Russia	Oct. 28, '12	5½	5	5	5
Spain	Sept. 24, '03	4½	4½	4½	4½
Portugal	Jan. 9, '08	6	6	6	6
Sweden	Nov. 14, '12	5½	5	5	5
Norway	Mar. 23, '12	5½	5½	5	4½
Denmark	July 2, '13	6	5	5	5

New Capital Issues.

"The number of new capital issues in September," a London financial organ notes, "was substantially greater than in August, but was still small, amounting to rather less than £11,000,000, in comparison with £12,000,000 last year. In 1910 the amount was only £1,300,000, but in that year, of course, the scare that arose subsequent to the Agadir incident almost entirely checked the issue of new capital.

"For the past quarter the new issues have reached £40,000,000, against £44,000,000 last year, £12,000,000 only in 1911, and £27,000,000 in 1910. The issues for the nine months have reached the great sum of nearly £191,000,000, against £165,000,000 last year and £134,000,000 two years ago. In the last quarter of the year, the new issues may be quite as large as usual, and for the whole of 1913 the amount of capital placed in this market will probably exceed all previous totals."

LAKE SUPERIOR PAPER COMPANY, LIMITED.

The annual statement of the Lake Superior Paper Company, Limited, which has linked its interests with the Spanish River Pulp and Paper Mills, Limited, for the year ended June 30th, 1913, shows net earnings from operations of \$184,878.

The profit and loss statement is as follows:—

Net earnings from operations, \$184,172. Deduct: Interest charges for the period on first mortgage bonds—proportion chargeable to revenue, \$149,986; interest on bank advances, \$30,124; surplus, \$4,767. The balance sheet is as follows:—

Assets.—Property account, \$12,417,140. Current assets—Pulpwood, \$718,691; sawmill, lumber, logs, equipment and stores, \$162,115; pulpmill products, \$32,985; stores and supplies, \$219,388; accounts receivable, \$243,382; paper and lumber sold, but not delivered, \$478,712; cash, \$83,502—\$2,325,155; insurance, \$19,163; deferred charges, \$47,949; totalling \$14,809,411.

Liabilities.—Capital stocks—Common, \$5,000,000; preferred, \$3,000,000; first mortgage bonds, \$5,000,000. Current liabilities—Bank loan (secured by lien on forest products), \$842,661; accounts payable, \$650,643; bills payable, \$127,905; accrued interest on bonds, \$100,000; unpaid interest coupons, \$1,148; accrued taxes, \$2,050—\$1,724,409; reserves (accident insurance and delivery expenses), \$80,234; profit and loss, \$8,767. The total liabilities being \$14,809,411.

From the directors' statement it appears that the third and fourth machines were only completed and installed in January and March, 1913, respectively. The production for the year was 34,213 tons, and the directors state that practically all the output for the current year has been sold at fair prices.

ADDITIONAL CABLE NEWS

(Continued from page 669.)

MORE ISSUES IN LONDON.

*London, October 20.—The Nova Scotia Steel Company's issue of £199,500 6 per cents. at 98, now pending, forms part of a recent issue of £400,000.

The Canada Agency advertises an offering of Western Canada Mortgage £300,000 5 per cents. at 94.

Mr. Thomas Langlois, of Vancouver, is here in connection with a sale of debentures for the National Finance Company, Vancouver.

MACKENZIE ON THE LONDON MARKET.

*London, October 20.—Sir William Mackenzie, who recently arrived here from Canada, does not seem greatly perturbed over rumors to the effect that Canada and Canadian industries are being depreciated as is claimed, because of the fact that Canadian offerings are not taken up more readily in London.

"It is not because they are Canadian that Canadian offerings are not being taken up readily in London lately, as nothing seems acceptable just now as the people are not investing," answered Sir William to a question put to him as to what the probable reason for the failure of certain Canadian offerings was.

Sir William added that since coming here he had seen no indication of Canada being depreciated.

"However," continued Sir William, "there should be practically no effect in Canada as a result of conditions in the London market, in view of the fact that Americans have been buying Canadian bonds pretty freely and possibly there have been more Canadian offerings in London than the public cared for."

SAYS ENGLISH MANUFACTURERS CANNOT EXPECT TO COMPETE

*London, Oct. 23rd.—It is understood that one of the objects of Sir William Mackenzie's visit to London is to raise \$10,000,000 for steel works at Port Arthur.

The plans of the American steel trust to erect a large iron and steel plant in Southern Ontario has attracted attention among English manufacturers.

The Manchester Guardian, commenting on these plans, notes the determination with which Canada is developing its heavy iron and steel industries.

It alludes also to the abundant opportunities for those who look ahead.

English manufacturers cannot expect to compete largely for enormous structural and other steel requirements in the West unless they establish Canadian branches.

"Anyway, the Canadian market, except in isolated instances, cannot be handled like the Indian in a slow and fatherly manner from a distance through an intervening agency."

REGARDING WEEDS IN FINANCIAL FIELDS.

*London, October 21.—Financial authorities here agree that the present situation will not be greatly eased until the huge Balkan loans are arranged. Continental banks are loaded with commitments from the Balkan States which they desire to pass on to the public, but the French Government insists that the banks must first carry out the big French issue, and some time must elapse before these operations are completed.

Meanwhile the public have been quietly and slowly tempted by the excellent Canadian bargains.

A big financier tells me he was induced to underwrite £10,000 of a recent Western municipal issue, which he was prepared to carry until January, but it had already been absorbed by small investors. He had to sign 30 transfers.

The same authority says it would be easy to exaggerate the effect upon the average British investor of a few defaulting Canadian concerns, a list of which were set out in to-day's London papers, with a great parade as "The Truth About Canada." This financier's comment is:—"The truth about Canada is, she now seems to be perfectly sound, and reflex action upon London of an early an abundant crop shows how materially the finances of the west are being relieved. We all deplore the failure of a few Canadian concerns, but the chief fault lies with the rash Englishmen themselves. If they will not use common prudence in Canadian investments, but listen to every Canadian charmer, they must expect to suffer.

"Of course there are weeds in the best of wheat fields, but no London financier, whose opinion counts, doubts that Canada's has had fewer weeds than most, and all that is needed is patience, caution and faith, above all, faith."

*Montreal Star cable.