LOANS IN LONDON

New Issues Have Been Few—War Has Changed Geography of British Investment

The new capital issues during the first quarter of 1915 have been few in number as the result of the British treasury's guarding of the London money market. The total for the quarter, as compiled by the London Economist, is £46,000,000, this amount being below the average totals for the period, as the following summary shows:—

Year.	First quarter.	Total for year.
1905	£67,301,200	£167,187,400
1906	30,264,800	120,173,200
1907	49,428,600	123,630,000
1908	45,287,900	192,203,700
1909	64,238,400	182,356,800
1910	99,355,600	267,439,100
1911	61,245,000	191,759,400
1912	47,966,100	210,850,000
1913	50,344,700	196,537,000
1914	97,610,200	512,522,600
1915	46,313,500	....

"Of this amount nearly £30,000,000 is on account of the £50,000,000 exchequer bond issue, the remainder of which is excluded from the record because it was required for the purpose of redeeming outstanding exchequer bonds representing capital included in our record at some previous time. The industrial issue of most interest was the dye scheme prospectus, asking for £1,000,000, at which amount it is included in the figures, though the actual amount subscribed is but a fraction of this sum. The only other industrial prospectus of importance was the Furness, Houlder, Argentine Lines, a shipping company formed for the Argentine meat trade. Both the exchequer bond issue and the Russian treasury bill issue of £10,000,000 at 95 per cent. were really more concerned with Lombard Street than with the capital market proper.

For Empire's Needs.

"The treasury regulations have had a marked influence on the geographical distribution of the capital this quarter, the distribution of which was as follows:—

	First quarter. 1914.	First quarter. 1915.
United Kingdom, total	£14,261,600	£30,897,300
British Possessions—		
Australasia	13,401,200	75,000
Canada	23,746,600	4,975,000
India and Ceylon	2,071,800	256,200
South Africa	5,122,900	457,000
Other British possessions	2,506,300	91,000
Total British possessions	£46,848,800	£ 5,854,200
Foreign Countries—		
Austria-Hungary	£ 2,251,200	Nil
Belgium	4,902,500	Nil
Germany and possessions	12,500	Nil
Greece	1,556,300	Nil
Norway	Nil	Nil
Russia	3,175,900	£ 9,522,000
Sweden	488,500	Nil
Turkey	194,000	Nil
Dutch East Indies	32,600	15,000
Argentina	12,166,100	Nil
Brazil	3,621,500	Nil
Chili	1,460,100	Nil
Other South American Republics	1,096,000	Nil
Cuba	Nil	25,000
Mexico	1,000,000	Nil
Philippine Islands	Nil	Nil
United States	3,842,600	Nil
China	700,000	Nil
Other foreign countries	Nil	Nil
Total foreign countries	£35,499,800	£ 9,562,000
Total, for first quarter	£97,610,200	£46,313,500

"Canada is the only part of the empire appearing as a borrower of any importance with the £5,000,000 loan raised lately. Australia has also been in the market with two issues in February, the first a New South Wales offer of £2,000,000 4½ per cent. bonds and the second a Queensland issue of just under £12,000,000, both of which were made to refund maturing loans. The South African total of £457,000, comprises a small City of Durban loan and a new issue of shares by the National Bank of South Africa. India has asked for capital only for electrical undertakings, Calcutta and Bombay having divided with each other the £256,000 Indian figure.

"The foreign industrials are practically negligible. There is the Cuba-Bartle Sugar Company, which was allowed to go through by the treasury just after the promulgation of the restrictions and £15,000 for a Java rubber company.

"The real drain on the capital market during the quarter has been far larger than the above figures suggest, for roughly £25,000,000 per fortnight has been required in respect of calls upon the war loan. The actual money provided on new securities during the last three months has exceeded £200,000,000.

"The colonial issues have been successful because the governments concerned have been well advised. They have borrowed on short terms and have not tried to get their money at cheaper rates than conditions warranted. The Canadian loan was easily oversubscribed, big applicants receiving about two-thirds of the amounts applied for, while some, but not all, small investors were allotted in full."

GRAND TRUNK'S MEETING

Presiding at the Grand Trunk Railway annual meeting last week, the chairman, Mr. Alfred W. Smithers, pointed out, says a Canadian Associated Press despatch, that the only increase in expenses was in consequence of the company keeping on the pay roll men who joined the Canadian forces.

The war is the governing cause of all the company's troubles, added the chairman, which had had a greater effect perhaps in north-west Canada than any other part. There were indications, however, that the requirements of the Mother Country and Allies were bringing renewed activity to Canada, and there is every sign that much money spent in war requirements will find its way to Canada.

There was no reason for undue pessimism by looking at the year, which had been full of exceptional difficulty. The railway commissioners should realize that if the railways were properly to fulfil their duties they could only do so by preserving their credit by being paid fairly for services rendered the community. Never did the country make such progress as Canada during the last twelve years. Consequently, it was most vulnerable to such a catastrophe as the war. The Dominion Government, supported by the Opposition, faced the position with great skill. The banks and every other interest has given every assistance in their power.

The London Pall Mall Gazette's financial editor, writing of the Grand Trunk meeting, says of Canada: "During recent years debts there have been incurred and credit has been pledged on the assumption that the population would increase consistently and regularly. The question of immigration, however, for some time to come, must be based on great uncertainty.

"With regard to borrowing, Canada cannot hope to draw on London so freely as in the past. It may be possible that the Dominion will turn more to the United States for capital, although it is doubtful if the Republic will ever be the chief source of such supply."

Professor W. W. Swanson, of Queen's University, Kingston, has added another interesting contribution to his list of economic writings in the recently issued bulletin, "The Financial Power of the Empire," in which he deals with "Lombard Street and the War"; "The financial resources and investment power of nations involved"; "Great Britain's commercial and industrial strength"; and "Canada's financial position and the war." In this last section he says: "From a survey of the whole situation, it is evident that Canada must move slowly in its economic expansion during the immediate future." The bulletin is one of the most useful and concise writings of its kind.