

# MONTREAL SECTION

Office B32 BOARD OF TRADE BUILDING, Phone M. 2797. Business and Editorial Representative, T. C. ALLUM.

## CANADIAN SECURITIES IN LONDON.

Interesting Chat with Returned Harbor Commissioner  
—Bell Telephone's Manitoba Bonds—Montreal  
Electric Lighting Problem.

Monetary Times Office,  
Montreal, May 14th.

Another testimony to the increasing popularity of Canadian securities on the London market and to the proportionate decrease in popularity of American, was given by Mr. Geo. W. Stephens, chairman of the Harbor Commissioners of the Port of Montreal, in an interview with the Monetary Times this week. Mr. Stephens, who since returning from abroad has resigned his seat in the Quebec Legislature in order to devote his whole attention to his harbor duties, is prominent in both industrial and financial circles in Montreal, and his observations were carefully made. He left Montreal on January 9th, with Mr. F. W. Cowie, C.E., for the purpose of visiting the most progressive harbors of Europe and learning everything possible about them.

"From January 18th until March 16th," said Mr. Stephens, "my time was divided between Great Britain, Germany, Belgium, Holland and France. I had considerable opportunity of observing business conditions in the different countries visited, and there was a conspicuous lack of purchasing power in evidence in all countries through which I passed. This has caused the usual national complaints, such as large classes of unemployed, shortage of orders among the great industrial concerns, reduction of credits by the banks and of expenses by large business concerns. The great industry of shipbuilding is noticeably very largely overbuilt. As a consequence, long strings of freight carriers are to be seen in most of the ports visited. With a 6 per cent. discount rate in Germany, a 3 per cent. in France, and, to the best of my recollection, one of 4 per cent. in England, with abundance of ready cash in the French financial institutions, and the successful flotation of many new business undertakings in London, it was hard to be convinced that serious depression was the epidemic of the day. The English financial institutions seemed to have sized up the coming American crisis about a year in advance, and during that year were very large sellers of American securities. Consequently, when the crash did come, the burden of it was carried very largely by the American people themselves, leaving the English market in a healthy condition, and ready to cope with inviting issues of new securities.

### Fifteen Millions for New Issues.

"It was agreeable to hear from unquestionable authority that during the first three months of the year as much as fifteen millions of money had been put into Canadian issues which had been launched in the London market.

"The disposition of the English investor is entirely favorable towards the better Canadian issues. This does not mean to embrace all issues, but has reference only to the best. Too much insistence cannot be placed on the importance of having nothing that is truly Canadian reach the British investor through absolutely unquestionable sources."

Concerning the future development of the Port of Montreal, Mr. Stephens said:

"The Canadian people will realize that they must create the most economic port on this continent, and a port which will command not only Canadian but United States business just as soon as ample facilities are provided for handling it. It is of the interest of all Canada that Canadians should control the sea terminals through which must pass the products of the forest, the farm and the mine."

### Sale of Telephone Bonds.

The Bell Telephone Company is no longer interested in the flotation of the \$3,400,000 worth of 4 per cent. forty

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years' bonds it received from the Manitoba Government in payment for the transfer of the telephone system of that province about the first of this year. These bonds have been sold to a large bond house. It has been impossible to ascertain the name of the house, the price at which the bonds were sold, or the terms of the sale. But it is a fair assumption that the purchasers are a large English financial concern, the name of which will be disclosed when the bonds are placed on the London market. The interest of the Bell Telephone Company in the successful flotation of these bonds is now merely a sentimental one.

They have no further financial concern in the matter. They will receive payment from the purchasers on delivery of the bonds. It is understood that the time of delivery is not far distant, and is in no way contingent upon the successful flotation of the bonds by the purchasers. It is also believed that the sale was effected by the Bell Telephone Company within the last month, although no details are available. As the Telephone Company accepted the securities at par, and as they are first-class Government bonds, it is a fair assumption that the company received upwards of 90 for them. On the other hand, in view of the present condition of the market, and also of the fact that the purchasers will require a profit, it seems likely that the price was several points lower than par. These details may possibly be obtainable at a later date.

### Notes of the Financial Situation.

Mr. M. Chevalier, general manager of Credit Foncier Franco-Canadien, one of the largest loan and mortgage institutions in Canada, made a statement to the Monetary Times this week which throws additional light on the present financial situation. He states that although his company has very much more money out on loan this year than a year ago, the borrowers have been meeting their obligations so much more promptly that the amount of unpaid interest due the company is actually less than it was at this time last year. Money is offering in somewhat larger quantities and the demand for it is lighter than a year ago. He explains this falling-off in demand by the decrease in the industrial activity of the country. It is worthy of remark that payments from the West, and particularly from Manitoba, are keeping up well and are quite satisfactory. When it is remembered that the Credit Foncier has some twenty million dollars on loan in Canada, the foregoing statement will be regarded as a good indication of the financial situation. Mr. Chevalier adds that he considers that the crop situation is in control, but that even though a bad crop would give the country a bad setback, the injury at most would only be temporary.

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