

# SEVEN ISSUES LOADED UNDERWRITERS WITH \$18,000,000

## Canada is Again a Prominent Factor in the Overseas Market— Underwriters Are Baulking Again

(Central News financial cables are exclusive in Canada to *The Monetary Times*. Canadian Associated Press and Montreal Star cables are printed by special arrangement)

### UNDERWRITERS WILL NOT TOUCH NEW LOANS.

(Special Central News cable to *The Monetary Times*.)

London, October 17th.—The condition of the general market here during the past week has been sound, with evidences of a conservative attitude toward such factors as might influence the situation. While the investment public as a whole may be said to have been reserved in its relations to the market, it is apparent that there has been a gradual absorption of the unsubscribed portions of new loans. This was accelerated to some extent, no doubt, by the joint decision of underwriters to discontinue all new capital underwritings until easier conditions prevailed.

Slackening of trade has contributed to an increase in free balances. Canadian scrip quotations have shown a hardening tendency. The recovery in Brazilian issues has been an aid in the restoration of confidence, to which the improbability of a fresh outbreak in the Balkans has contributed.

It is considered by many that stock prices have touched their bottom levels. Canadian Pacific has been feverish with recurrent forced sales. The semi-annual report failed to benefit Grand Trunk.

Discounts have been firm on the approaching Treasury bill issue, and the demand for gold from Russia has offset the return of the Bank of England.

### DRIVEN INTO THE MARKET.

(Central News cable to *The Monetary Times*.)

London, October 13th.—Dealing with the subject of "Canadian municipal borrowing and the explanation of recent issues," the Times says it is not fair to conclude as a result of the recent return to the money market of Canadian municipalities that the severe admonition directed against the Dominion left her quite unregenerate.

As far as the municipalities are concerned, the suggestions for amendment have been taken seriously to heart and there is little doubt that nothing short of absolute necessity has driven them into the market. The reason for this urgent necessity does not require much seeking. The new Canadian Bank Act has prescribed alterations, including returns every two months, showing the indebtedness of municipalities to the banks.

When there are indications of tight money the banks do not offer and facilities are curtailed. The banks are probably pressing for the repayment of loans and in the circumstances there is nothing for it but to have recourse to London in a dire though temporary necessity.

The Financial News comments that underwriters were compelled to take up 80 per cent. of the Alberta loan and that the public will come in later.

### BAD TIME TO MAKE NEW FLOTATIONS.

(Central News letter to *The Monetary Times*.)

London, October 11th.—The present time of uncertainty is not a particularly propitious one for new capital flotations, but these continue to pour out in an increasing stream. Canadian securities in London just now are undoubtedly regarded with much more favor after their few months' eclipse, which arose from indigestion in the investment market. But it would be impossible to deduce this improvement in popularity from the results attending the two last Canadian loan operations.

Of the attractive £3,000,000 issue by the Dominion this week it was announced that 57 per cent. had been left with the underwriters, while the City of Edmonton loan of over £900,000 was only subscribed to the extent of 50 per cent. of the total. These results following the success of the small Ottawa debenture operation indicate that investors are only gradually abandoning their post-Balkan caution, and therefore immediate investment resources are none too abundant.

In spite of this the City of Vancouver has just come forward with a loan issue of nearly half a million. An emission of a million by the Province of Alberta has been arranged and presumably the Montreal loan is not far off. Additionally there are many other big borrowing operations pending in other directions. So there would seem to be some likelihood that the supply of new securities will shortly be exceeding the demand again.

Paris investors are quite as conservative as those in London, and the £4,000,000 bond issue recently made in that centre by the Brazil Railway met a very cold reception, but this may not have been unconnected with the credit crisis which Brazil seems to be passing through at the present time, and which is associated with national extravagance and the serious position of the rubber trade.

### BRITISH COLUMBIA DOES NOT WANT LOAN.

\*London, October 13th.—Mr. McBride has denied the report here that British Columbia will soon be in the market for a loan. "Paris and Berlin found the province well thought of, and predict an increase in investments especially in Germany." Informal discussions are taking place at the Foreign Office regarding the Oriental influx on the Pacific Coast. I am informed that notes and suggestions for restraining the entrance of Hindoos and Japanese are now passing between Ottawa and London.

### MUST CURTAIL NEW LOANS.

\*London, October 13th.—Regarding the restriction of municipal borrowing facilities, the financial editor of the Standard says:—"The pressing problem of the moment is how to curtail within the narrowest limits the fresh loan operations in the near future." The Standard suggests that the public are inclined to hold back until after an issue in order to get the discount. Satisfactory responses came in some recent cases where there was no underwriting, and the terms were really tempting, hence the advice to intending borrowers to dispense with underwriting and appeal direct to the public for the smallest possible amount on the best possible terms. Failures have been by no means confined to Canada, 74 per cent. of the Buenos Ayres Lacrosse Tramways issue of £500,000 5 per cent. debentures having been left with the underwriters.

### WANT BRITISH COLUMBIA FISHERIES CASE INVESTIGATED.

\*London, October 13th.—It is being urged that the Board of Trade, which has judicial powers of investigation, take up the case of the British Columbia Fisheries, Limited, to ensure that the circumstances leading to the appointment of a receiver not be allowed to slip into oblivion.

Sir George Doughty and colleagues are still silent on the circumstances leading to the debacle, the effect of which has been necessarily bad with the British investor.

Another Canadian enterprise adversely discussed is Canadian Mineral Rubber Company, in view of the winding-up application by a Canadian creditor in the Illinois courts when it was reported a competing company had successfully claimed as their own the basic patents.

[It is most unlikely that the Imperial Board of Trade will take up the case of the British Columbia Fisheries.—Editor, *The Monetary Times*.]

†London, October 15th.—Criticisms of the management of the British Columbian Fisheries continue from financial writers. Astonishment is expressed at Sir George Doughty's reticence concerning the true position of the company of which his son was at the head. The general advice to shareholders is to apply for a compulsory winding-up order.

\*Montreal Star cable.

†Canadian Associated Press cable.