

The Monetary Times

Trade Review and Insurance Chronicle

Vol. 45—No. 6.

Toronto, Canada, August 6th, 1910.

Ten Cents

The Monetary Times OF CANADA

PUBLISHED EVERY SATURDAY BY THE MONETARY TIMES
PRINTING COMPANY OF CANADA, LTD.

Editor—Fred W. Field.
Business Manager—James J. Salmond.
Advertising Manager—A. E. Jennings.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and The Toronto Journal of Commerce.

Terms of Subscription, payable in advance:			
Canada and Great Britain.		United States and other Countries.	
One Year	\$3.00	One Year	\$3.50
Six Months	1.75	Six Months	2.00
Three Months	1.00	Three Months	1.25

ADVERTISING RATES ON APPLICATION.

HEAD OFFICE: Corner Church and Court Streets, Toronto.
Telephone Main 7404, or Main 7405, branch exchange connecting all departments.

Western Canada Office: Room 404, Builders' Exchange Building, G. W. Goodall, Business and Editorial Representative. Telephone Main 7550.

Montreal Office: 233, Board of Trade Building. T. C. Allum, Editorial Representative. Telephone M. 1001.

London Office: 225 Outer Temple Strand. T. R. Clougher, Business and Editorial Representative. Telephone 527 Central.

All mailed papers are sent direct to Friday evening trains. Subscribers who receive them late will confer a favor by reporting to the circulation department.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents nor does it hold itself responsible therefor. The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

EXPLOITING THE LONDON MARKET.

The comparative failure of many Canadian flotations in London recently deserves special attention. Too frequently has the non-success of new security issues been covered by that glib term, "bad market conditions." With really good propositions, the London market does not seem to be overburdened more than usual. For poor proposals, it has no appetite whatever. Further, it is not likely to have. Except for a peculiar and periodical wild gamble, the British investor is thoroughly conservative. As a rule, he carefully analyses the proposed investment. In addition, he has many reputable financial journals as guides, past which few disreputable companies can make headway after a close scrutiny. It would seem as though the London market is at present being exploited by many highly speculative Canadian enterprises. The result is failure for themselves and harm to others more deserving. The sooner it is recognized that London will not look at our purely speculative securities, the better it will be for Canadian credit and the market for the Dominion's securities generally.

It is interesting and at the same time instructive to glance at English press comments respecting recent flotations in the London market. The London Statist, for instance, writing of the British Columbia Mines, Land and General Finance Company, Limited, says that, "although respectable names appear upon the board of this company, we cannot recommend its shares to the investor, even to the investor of ultra-speculative propensities. Subscription for shares in the undertaking would be something like the proverbial purchase of a pig in a poke. Indeed, it might rather be compared to purchase of the poke alone, for, beyond the statement in the prospectus that 'several proposals of business of a pro-

PRINCIPAL CONTENTS OF THIS ISSUE.

Editorial:

Exploiting the London Market	605
Of the Peace River Region	610
In Western Canada	610
Capital and Labor from United States	611

Finance and Economics:

How Deep is this Cotton Merger?	612
Financial Situation in New York	614
More Mergers on the Way	619
New Directors for Nova Scotia Steel	619
New Stock Exchange Listings	627
Recent Investment and Speculative Offerings	627
Gas and Oil Deposits	628
Economic Situation in Canada	629
Of the Pearson Railroad Flutter	632
Bank of Vancouver is Doing Business	638
Presidents of the Bank of Montreal	638

Bonds and Municipal Credit:

Fort William City Loan	623
Belleville's Financial Position	625
July Bond Sales	627

Commerce and Transportation:

First New Wheat	612
United States Trade with Canada	613
Western Canada's Wheat Yield	614
Scope Remains for the Pioneer	631

Insurance:

Evil of Over-Insurance in Montreal	615
July Fire Losses	626
Campbellton Fire Insurance	635

Special Article:

Review of the Month	626-7
---------------------	-------

misgiving nature in connection with gold and copper properties and timber have already been brought before the company, and will have the careful consideration of the directors immediately after allotment, we can find no reference to any specific property or business to be acquired. The company has been formed with a capital of £100,000 in £1 shares, now offered for subscription at par, to transact business as a mining, land and general finance company. It is set forth that 'the company will acquire claims or options thereon, and form subsidiary companies to purchase and work same' in the new gold-bearing district near Stewart, British Columbia, and that 'another field of operation will be the acquisition of land in the town centres, and judicious employment of capital in this way should bring very large profits.' Perhaps!" adds our contemporary.

Regarding the same company, the London Financier and Bullionist says that the "panegyric on British Columbian possibilities, which forms three parts of the prospectus, besides the green inset giving selected extracts from the Press, are but unsubstantial fare even for anyone enough of a gambler to consider putting up his proportion of £100,000 for this new finance company with which to play."

While we know little regarding the merits of this particular company, we quote the criticisms of the English financial press as a reminder that every Canadian proposal placed in London will be subjected to keen examination. Unless they escape without mutilation, a public issue at least stands a poor chance of acceptance.

Another important point is that the fullest possible information must be afforded in the prospectus. It is futile to fill page after page with generalities. Specific details regarding specific property or properties owned or leased by the company soliciting capital are required.