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CANADIAN NORTHERN LOAN.

In the midst of a procession of comparatively small Canadian issues in the London market, there appeared last week one of £7,000,000 of the Canadian Northern Railway Company in the shape of 3½ per cent. debenture stock terminable in fifty years, and issued at 93. The stock is guaranteed by the Dominion Government. Lazards, the London banking firm, made the offering as underwriters, and cable advices stated that the loan has all been underwritten, the underwriters having to take 90 per cent. This is the largest Canadian issue made in the London market since 1905 at least, if not the largest on record. The following table gives our biggest flotations overseas during the past seven years:—

| Year | Company | Amount | Security | Issued at |
|------|------------------|------------|--------------------|-----------|
| 1905 | | | | |
| Feb. | Gr. Tr. Pac. Ry. | £3,004,000 | 4% ster. bonds | 99½ |
| Mar. | Gr. Tr. Pac. Ry. | 3,200,000 | 3% 1st mort. bonds | 95 |
| 1908 | | | | |
| Feb. | Dom. of Canada | 3,000,000 | 3½% redeem. stock | par |
| June | Dom. of Canada | 5,000,000 | 3¾% stock | par |
| Oct. | Dom. of Canada | 5,000,000 | 3½% redeem. stock | par |
| 1909 | | | | |
| Jan. | Dom. of Canada | 6,000,000 | 3¾% bonds | 99¼ |
| July | Dom. of Canada | 6,500,000 | 3½% stock | 98½ |
| 1910 | | | | |
| Jan. | Dom. of Canada | 4,000,000 | 3½% stock | 99 |
| May | Dom. of Canada | 5,000,000 | 3½% stock | 99½ |

The Canadian Pacific Railway in November, 1909, placed £6,000,000 of its ordinary shares with existing shareholders. Since 1905, to date the Canadian Northern Railway has obtained in the London market, including

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last week's large loan, the sum of £22,774,709, or over \$110,000,000. That company has applied this year for four loans as follows:—

| 1911 | Amount | Security | Issued at |
|-------|-----------|--------------------------------|-----------|
| March | £ 358,888 | 3½% guar. 1st mort. deb. stock | 94½ |
| April | 1,543,209 | 5% convertible deb. stock | 98 |
| Nov. | 1,438,356 | 4% guaranteed debenture stock | 99 |
| Dec. | 7,000,000 | 3½% guaranteed deb. stock | 93 |

This is a strenuous borrowing record. There is a somewhat apathetic feeling towards Canadian issues in London just now, and the reception accorded the Canadian Northern's large loan was no exception. There is a disposition in some quarters to regard the marketing of such an immense loan as a blow to Canadian credit. While this may be an extreme view, undoubtedly it will weaken the chances for complete success of future Canadian issues during the next few months. Those responsible for the arrangements may have figured that it was better to make a bold gallop into the market, obtaining sufficient funds to cover construction and other costs for a fairly long period in advance. On the other hand, some will be inclined to think that the issue of two loans of £3,500,000 at intervals would have been less strain on the Canadian market overseas.

The Canadian Northern Railway, which as a trans-continental road, is still in the course of construction, is attaining a heavy bonded indebtedness. On June 30th, 1911, it had capital stock outstanding to the amount of \$70,000,000, an increase of \$15,000,000 over the year before, and \$39,250,000 over five years ago. In 1911 the funded debt totalled \$122,047,419, and shows an increase of \$26,635,216 over the preceding year and