

CANADIAN LOANS REVIEWED

Comments on Recent Issues Overseas—Water Board Loan

Canadian issues of various kinds keep the London market busy in comment. Regarding the issue of £400,000 Greater Winnipeg Water District 4½ per cent. stock at 95, the London Statist says it "may be regarded as a satisfactory Canadian public utility investment," while the Economist says:—"The security of a Canadian water district is new to London, and the prospectus is not at all definite as to the responsibility for the loan of the municipalities included in it. If, however, it is an unconditional charge on the rateable value of the area, its security should be satisfactory." This issue of stock forms part of a total authorized issue of £2,773,972. The underwriters took 97 per cent. of the recent loan.

South Vancouver Loan.

The issue in London of £223,000 5 per cent. consolidated stock, made by the municipality of South Vancouver at 91 per cent., was thought at the price to be distinctly attractive, the existing 5 per cent. consolidated stock of the city being quoted at 92.96. South Vancouver is practically a suburb of Vancouver proper. The London Financial Times, commenting on the loan, said:—"It might have been as well if the income and expenditure of the city had been stated, but in any case there can be little question as to the security for the loan, and as South Vancouver is already in close connection with the main city, and will, not improbably, be merged therein before long, there is the prospect that the securities of the two towns will be consolidated, which would increase their marketability."

Mr. E. V. Portway, of Montreal, secretary of the Premier Glass Company of Canada, referring to the fact that subscriptions to the issue of £180,000 7 per cent. preferred shares recently offered to the public had been returned by the company's bankers, the Commercial Bank of Scotland, has made the following statement:—

"The public issue made on this side was not so well received as we hoped owing to market conditions, and the subscriptions have been returned. Meantime, satisfactory arrangements have been made on the other side, and the completion of the plant is now being proceeded with, and operations will begin in about two months. Capital has also been raised privately over here."

The response to their offer in London of £1,000,000 Quebec province 4½ per cents. at par was poor, the underwriters having to take up 83½ per cent.

Tobacco Company's Loan.

The Imperial Tobacco Company of Canada made a London loan this month. This company was registered in Canada in 1908, and has virtually constituted a branch of the British-American Tobacco Company. A recasting of the capital appears to have been effected in 1912, and the present issued capital is given as £1,650,000 in 6 per cent. £1 cumulative preference shares and \$27,002,500 ordinary shares of \$5 each, part of an authorized \$30,000,000. There are no debentures or bonds. The public, by prospectus, were offered 500,000 ordinary shares of \$5 each at the price of 10s. per share, two leading banking companies authorized by the International Financial Society, Limited, acting on behalf of the contractor for the purchase of the shares. The financial year of the company ends September 30, and for the 1913 period profits of the company are stated as £483,432. For that period quarterly dividends aggregating 6½ per cent. were paid on the ordinary shares. At the issue price of 10s. per \$5 share the continuance of 6½ per cent. dividends would give the investor a yield of about 7 per cent. The preference shares are quoted on the London Stock Exchange, and quotations are to be applied for in respect of the shares now offered for sale. "The cautious investor," comments the London Statist, "of course, will be well advised to purchase the preference shares, but the investor of more speculative proclivities has the attraction of a higher yield with the possibilities, but then it is to be recollected the possibilities are double-edged."

Regarding the same issue, the London Financial Times says:—"Offers to the general public of big blocks of shares in existing concerns, not on behalf of the companies them-

selves, but by some unknown vendor, have been increasingly frequent of late, and the practice has the disadvantage of leaving in doubt the reasons for the sale, and whether any special circumstances have arisen in connection with the undertaking itself to induce big interests to part with their holdings. . . . The company is in many respects a strong one, but, in view of the large figure at which the goodwill is taken, the ordinary shares can only be described as a decidedly speculative investment."

RAILWAYS IN BRITISH COLUMBIA

Lines East, West, North and South—Vancouver Island's Share—New Industries

(Staff Correspondence).

Vancouver, July 18th.

Now that the country is being covered with east and west railways, the talk is of lines north and south. British Columbia has a north and south line, but this is in the lower part of the province, and its chief mission has been to convey the trade of the interior to cities across the boundary line. When the Pacific Great Eastern was first spoken of, the plan then was to extend this line into the Peace River. The Canadian Northern will give this province a route north from Kamloops, and the Pacific Great Eastern north from Howe Sound to Fort George. Of recent times, too, there has been talk of the line to connect with the Yukon. This was first brought to the attention of the public at the time the Klondike was discovered, but when the bill was killed, nothing further was done. The provincial government has declared its willingness to do all in its power to build a line north through provincial territory to connect with the Alaska line, for which money was recently voted at Washington.

On Vancouver Island.

On Vancouver Island, the farthest run of a railway would be only about a day's run from Victoria, and the settled portion is much less than that. There are great timbered areas and fine valleys and settlers are always close to well-sized centres. The Canadian Pacific Railway has been extended from Nanaimo to Courtenay, one of the nicest districts that can be found in Canada. Steel has reached there, and grading will be rushed through as soon as possible. West and north from Victoria the Canadian Northern Railway will open a new section. The marketing of timber will furnish traffic from the start. Small holdings are a feature of the well-settled districts on Vancouver Island, and with transportation extended these will become numerous in all parts.

New Industries Starting.

The Royal Crown Soaps, Limited, the control of which, it is understood, is held by the big English firm of Lever Brothers, of Port Sunlight, is advertising for tenders for the construction of a new plant on Burrard Inlet in Burnaby, east of Vancouver. The front part of the new soap factory will be eight stories in height, while the back will be three stories. It will be of reinforced concrete, and will have all modern facilities. In addition to the factory buildings will be a reinforced concrete wharf, 125 feet in width.

The British Columbia Steel Works, with a capitalization of \$500,000, has been organized with the following Vancouver men as directors:—Mr. Francis L. Leighton, general manager of the Vancouver Engineering Works; Mr. J. J. Banfield, Mr. Nicholas Thompson, Mr. David A. Smith, Mr. George E. Graham, with Mr. A. M. Valentin as secretary-treasurer. The site of operations will be at Bridgeport, Lulu Island, where various iron products will be manufactured.

Mayor Brown, of Medicine Hat, Alta., recently appointed a municipal mixed farming commission to meet the farmers' organizations. The members of the commission are Mr. John Benson, who homesteaded in the west many years ago; Mr. George Brown, manager of the Medicine Hat demonstration farm; Mr. A. J. Matthews, president of the Medicine Hat Agricultural Society; Mr. N. L. Chudleigh, vice-president of the board of trade; and Mr. W. B. Willcox, secretary of the same organization.