BRITISH CAPITAL CALLS A HALT

Underwriters Overseas Agree to Give the Market a Rest Until October — Canada's Loans this Year

It is estimated that Great Britain can provide annually new capital for new securities, apart from the capital needed for buildings and private enterprises, to the extent of £220,000,000. For the first five months of this year, new securities amounting to nearly £150,000,000 have been placed. That the underwriters have decided to dam the tide of applications for funds is, therefore, not surprising. In presenting interesting figures, Sir George Paish states that last year the total subscriptions reached £211,000,000 for the year, of which about one-half was raised in the first five months. In the period to the end of May of this year the subscriptions have been nearly £150,000,000, in comparison with £104,000,000 last year and £110,000,000 in 1911. In considering the amount of capital placed in the five months just ended we must not forget that the subscriptions in the last five months of 1912 were abnormally small, amounting to only £50,000,000, and that the instalments on loans placed last year which had to be paid in the early part of the present year were unusually light. Still, when all the circumstances are taken into account, it is obvious that the issues of new securities are heavier and faster than can be easily absorbed, and it is probable that after the end of June a halt will be called until October in order that the accumulations of securities in the hands of the underwriters may be disposed of.

New Issues in May.

In May, 1913, the new issues have reached the large total of about £38,500,000, in comparison with £29,000,000 in May last year and £24,000,000 in May, 1911. Of the £38,500,000 subscribed for this month no less than £17,000,000 has been for Government loans, consisting of £10,670,000 for Brazil and £6,675,000 for China. An exceptionally large amount of capital has been asked for by miscellaneous undertakings of various kinds and descriptions.

The destination of the capital subscribed in London in the first five months of 1912 and 1913 is shown in the following statement:—

	First five months. 1913.	1912.
United Kingdom	£ 22,871,317	£ 25,021,776
India and Ceylon	2,902,467	3,222,818
British colonies	58,701,120	25,582,782
Foreign countries	62,915,546	50,390,252
Total	£147,390,450	£104,817,628

What Canada Has Had.

Canada has applied overseas for considerable capital. Its public flotations this year to the end of May number thirty and amount to £18,694,882. The following is a detailed list:—

	Company.	Amount.	Left with underwriters, %.
Jan.	—British Columbia Elec. Ry.	£ 750,000	73
"	Grand Trunk Pacific	479,000	48
"	City of Quebec	400,600	..
"	Quebec Government	400,600	85
"	Toronto Power Co.	616,438	..
"	City of Toronto	1,075,000	85
"	Edmonton, Dunvegan and British Columbia Ry.	738,356	98½
"	Canada Southern Ry. Co.	411,520	..
"	Canadian Farms, Ltd.	5,000	..
"	Terminal Cities of Canada	679,012	82
Feb.	—City of Winnipeg	750,000	75
Mar.	—City of Montreal	1,438,300	..
Mar.	—Pacific Great Eastern Ry.	£1,000,000	60
"	A. Macdonald Co.	432,098	..
"	Algoma Central Terminals	527,300	10
Apr.	—Manitoba Province	400,000	..
"	City of Prince Albert	102,700	..
"	City of Port Arthur	415,000	..
"	Saskatchewan Province	1,000,000	85
"	Southern Alberta Land Co.	250,000	65
"	City of Regina	533,900	Fully subs'd
"	City of Edmonton	1,068,000	80
"	Grand Trunk Pacific	2,000,000	80
"	City of Maisonneuve	187,600	50
May	—Phœnix Bridge and Iron Works	154,100	..
"	Phœnix Bridge and Iron Works	164,383	..
"	Amalgamated Land and Mortgage Co. of Winnipeg, Limited	102,917	..
"	City of Montreal	1,430,600	66
"	Columbia Western Lumber Yards	514,403	..
"	Canada Car and Foundry Co.	185,185	..
"	City of Victoria	482,870	82
	Total	£18,694,882	

The large percentage left with the underwriters in many cases, shows the tendency of the investor to new issues at present.

Five Months' Record.

For the first five months of each year since 1905, the Canadian issues overseas have been as follows:—

First 5 months.	First 5 months.	Year.
1905	£9,737,287	£13,530,287
1906	3,645,000	6,427,500
1907	2,936,211	11,203,711
1908	13,589,600	29,354,721
1909	13,696,278	37,411,723
1910	24,289,957	38,453,808
1911	18,723,297	39,855,517
1912	17,651,373	32,956,603
1913	18,694,882	......

During the first five months of the current year, therefore, Canada has obtained in London, through the medium of public issues, £1,043,509 more than in the similar period of 1912 and £2,216,581 more than half of the sum obtained in the twelve months of 1912. In view of the tight money market conditions this year, we should feel gratified at this record. The prospects are for heavy Canadian loans in the London market next fall—if the market opens its heart and purse.

The capital stock of the Milton Pressed Brick and Sewer Pipe Company, Limited, has been increased from $250,000 to $1,000,000, by the issue of 7,500 shares of new stock of $100 each, of which 4,000 are preference shares and 3,500 are common shares.

Regina's tax rate will be cut down by about two mills. The assessment will reach approximately $80,000,000, and the city's expenditure to be made up out of current taxes will not likely exceed $600,000. Last year including school, collegiate and library taxation, the rate was but 15.88 and it is expected to be about 13 mills this year.