

MARKET ANTICIPATES CANADIAN PACIFIC SURPRISE

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WILL CANADIAN INDUSTRIALS GO TO NEW YORK?

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

London, December 18.—For the moment it is apparent that the rush of Canadian emissions, following the slight recent improvement in the public investment appetite, has been too heavy to be properly digested. In the case of the Toronto loan, some rather sharp criticism was engendered by the flotation of the Dominion issue while the former was still before the public. In certain well-informed circles the statement is maintained that the Toronto total was over-subscribed at one time, but when the news of the Dominion issue got about, tenders were withdrawn with the result stated above. There were also some cause for criticism in the fact that the new Dominion loan appeared at about the same time as the final heavy instalment on the last Dominion emission fell due. The new Dominion scrip has so far been well looked after on the market, and it is quoted at around $\frac{1}{4}$ discount, whereas that of the previous Canadian loan is as low as $2\frac{3}{4}$ discount.

It is evident that with London capital showing hesitancy about going into sound Canadian gilt-edged securities, there is not much chance just yet for any big offerings of Canadian industrial issues. This is a point, which is being a good deal discussed just now, because of uncertainty whether this absence of a big local market for further Canadian industrials, there will be a big development of the movement to sell the latter in the United States. The latest cables from New York seem to suggest that such a probability is entertained in that centre. The Canadian Pacific official announcement regarding its new financial plan has been a great disappointment to dealers in the market for Canadian Pacific stock, and the latter has slumped about 6 points from the recent top level, in spite of vague statements that the creation of a trust fund, into which the proceeds of land sales are to be placed, and the issuance of \$52,000,000 6 per cent. notes at 80 represent only the commencement of the directors' new financial proposals. The point, which the market cannot get over is that whereas it had been hoped that stockholders would get some sort of substantial bonus in connection with the segregation of land assets without subscribing any further capital, such an idea does not appear to have been held by the Canadian Pacific directorate at all.

RESULT OF GRAND TRUNK ISSUE

†London, December 23.—Thirty-four per cent. of the Grand Trunk Pacific issue of two million sterling five per cent. notes has been left with the underwriters. The issue is being dealt in at a small premium. It is understood that many holders of Grand Trunk preferences hold out to exchange into the new notes.

CANADIAN MINING MERGER IN PROGRESS

†London, December 23.—A Canadian mining fusion is in progress, according to to-day's Times, which states that a meeting of the shareholders of the Northern Ontario Exploration Company has been called for a week from to-day to consider a proposal for the absorption of the company by the California Exploration Company, in which it has a large interest. The California Company, it is explained, has for the past two years been opening up Plymouth Consolidated Mine in California. The terms on which the absorption is to take place are briefly:—

It is proposed that the shares in the California Exploration Company should be split into shares of 10s. each, and the capital increased to £120,000, the Northern Ontario Exploration Company receiving 156,177 shares for their assets, exclusive of their existing holding in the California Exploration Company. As the latter will represent 22,060 shares, this will give for distribution to the shareholders of the Northern Exploration Company 170,137 shares in California Exploration Company. In other words, three shares in the California Exploration Company for every two shares in the Northern Ontario Exploration Company.

†Canadian Associated Press cable.

*Montreal Star cable.

ASKS GOVERNMENT TO ANSWER.

*London, December 18.—Regarding circulars of Freeholds of Canada Corporation, offering blocks of freehold land at Medicine Hat, the Financial News says that the Canadian Government should promptly state whether it is a fact, as the Corporation advertises, that the Government guarantees not only the title but the security afforded by the land for the amount invested in purchasing it.

LONDON INCENSED AT DEFAULT ON LOAN.

*London, December 19.—British debenture holders of the Imperial Loan Investment Company of Toronto have received banker's notice of the non-payment of the 5 per cent. interest due October 4th.

Debentures were introduced here through the Stock Exchange brokers. The directors are Douglas Burns, president, Edward Brown, K.C., Pollman Evans, W. M. German, M.P. and E. L. Taylor, K.C.

A writer in the Financial News advises the English people to boycott Canadian companies having no British domicile.

HORNE PAYNE SAYS GOOD WORD.

†London, December 19.—In view of the criticism of Canadian finance passed a few months ago by Horne Payne, his remarks to the shareholders of the British Columbia Electric Railway to-day will be followed with interest. Horne Payne, owing to illness, did not attend personally, his speech being read for him. After regretting that the report was not more satisfactory, he proceeded:—

"Unfortunately I cannot tell you that the period of hard times is over. I do not expect to see any improvement until the end of the Canadian winter, but I do think we shall then see a gradual general improvement in commercial conditions, with a complete return to prosperity and progress. In 1915 I believe this halt will in the end prove good for the country and the company, and will result in cheaper conditions of living and a very sound economic position in British Columbia.

"We have perhaps been a little spoilt with too much prosperity, and are inclined to be unduly alarmed by a comparatively unimportant decrease. There is nothing to cause selling by stockholders whose fears have been aroused by the general fall in Canadian and all other securities, by a decrease in earnings and especially by newspaper reports of agitation in British Columbia to induce Parliament to enact certain measures restricting our rights to fix rates and charges. I believe I can safely say these fears are needless. We rest confidently in a responsible British Government who are not in the least likely to lend themselves to any such proceeding which would destroy the good name of the province throughout the financial world.

"There is nobody of responsible public opinion behind this agitation, which is the word of certain noisy, ill-informed individuals.

"I have received letters from shareholders urging that we should not invest any further money at all in British Columbia. This, of course, is neither desirable in the interests of the company nor possible. I look to the future of the company with confidence, and would urge you in your own interests not to allow your confidence in the future of British Columbia or in Canadian investments to be in the least degree shaken by the present discouraging circumstances, which are almost exclusively due to disturbed financial conditions. Canada has this year again amply justified every claim made for her. The production of wealth from field crops, farm produce, mineral and other natural resources has been greater than ever before, and the only trouble has been of a monetary nature, the recurrence of which, it is hoped, will be prevented in future."