

OUR RAILROADS IN LONDON

How Canadian Government's Proposals Affected Prices Overseas

Commenting upon the Canadian government's proposal to acquire the Canadian Northern Railway and to make a loan of \$7,500,000 to the Grand Trunk Pacific, The London Statist (of August 11th), referring particularly to the prices of these companies' securities in London, says:—

The announcement by the Canadian finance minister that the Canadian Northern Railway is to be taken over by the Dominion government did not come altogether as a surprise. Still, until some definite statement was forthcoming, the prices of the various securities whose interest and principal were not already guaranteed either by the Dominion or provincial governments were allowed to remain at the very low level to which they had fallen. Immediately upon the statement of Sir Thomas White as to the government's proposals a sharp rise took place in all those securities of the Canadian Northern which were dependent for their interest and principal upon the credit of the Canadian Northern itself. The position of the securities will not be changed further than that the government will be the owners of the common stock, which, of course, strengthens the position of the security-holders.

How Prices Compare.

We set out below a comparison of the movements that have occurred in the prices of the Canadian Northern system's securities that have been affected by the announcement of the government's intentions by giving last night's closing prices and those of the day before the finance minister made his statement. In some cases prices have receded, owing to profit-taking. Still, it will be seen that, although the upward movement in some instances has been very considerable, various of the 4 per cent. perpetual debenture stocks give a return of fully 6 per cent. :—

	Closing price.		
	Aug. 10.	Aug. 1.	Rise.
C.N. Ontario 4% perp. cons. deb. stock	64½	57	7½
C.N. Quebec 4% perp. deb. stock ..	68½	55½	13
C.N. 4% perp. cons. deb. stock	65½	55½	10
C.N. 5% land grant mort. bonds	86	75½	10½
C.N. 5% income charge convertible deb. stock	48½	39½	9
Dul. Winnipeg & Pacific 4% 1st mort. deb. stock	68½	62	6½
Gt. N. Ry. of Canada (now C.N. Quebec) 1st mort. 4% gold bonds ..	72½	60½	12
Quebec & Lake St. John 4% 1st mort. deb. stock	65½	55½	10
C.N. 5% notes due 1918	100½	94	6½

Grand Trunk's Position.

There has also been improvement in the non-guaranteed securities of the Grand Trunk Pacific and in the various junior stocks of the Grand Trunk proper. The movements in the former have been due to the statement of Sir Thomas White that subsequently the government intends to take over that line also; but the rise in the prices of the Grand Trunk Pacific's securities has been less marked than in those of the Canadian Northern, probably for two reasons. First, the acquisition of the Pacific line is deferred for an unknown time, and, secondly, the prices of the Pacific non-guaranteed stocks and bonds had not fallen to so low a level as had those of the Canadian Northern. The improvement in prices of the parent company's stocks has been due to the feeling that eventually the company will be relieved of its obligations towards the Pacific line, and that the majority report of the Royal Commission on Canadian railways will not be adopted so far as the parent road is concerned. The position is, however, still obscure, for no one can tell upon what terms the government proposes subsequently to acquire the Pacific line from the Grand Trunk proper. Still, according to private advices received in the city, the speech of Sir Thomas White to some extent has cleared the air, and has counteracted the effect of the commission's majority report, which, if acted upon, it had been felt would have affected the credit of the Dominion abroad. It would appear that the Canadian government realizes this, and means to treat the railways with justice and liberality. Further, although press summaries of the finance minister's speech made no reference to the

matter, we learn that Sir Thomas White in his speech referred sympathetically to the Grand Trunk proper, and his remarks are understood to have met with general approval in Canada.

Prices of Securities.

Prices, after falling back owing to profit taking, compare thus:—

	Closing price.		
	Aug. 10.	Aug. 1.	Rise.
Grand Trunk Pac. 4% mort. ster. bonds			
"A" prairie section	66½	64½	2
Grand Trunk Pac. 4% mort. ster. bonds			
"B" mountain section	66½	64½	2
Grand Trunk Pac. Lake Superior Br. 4% 1st mort. ster. bonds	71½	70½	1
Grand Trunk Pac. 4% debenture stock	65½	60½	4
Grand Trunk Pac. 7-year 5% notes due 1921	96	92¼	3¾
Grand Trunk 4% guaranteed	59	57	2
Grand Trunk 5% 1st preference	65½	64	1½
Grand Trunk 5% 2nd preference	55	52	3
Grand Trunk 4% 3rd preference	26	24	2
Grand Trunk ordinary	10½	9¾	¾

PRICES FIXED FOR WHEAT

Official announcement was made in Winnipeg on Tuesday of the prices fixed on the 1917 crop of wheat by the Board of Grain Supervisors of Canada, on a basis of Fort William and Port Arthur, which are identical with those set by the United States for the same grades on a basis of Minneapolis and Duluth.

Following are the prices: No. 1 Manitoba Northern, \$2.21; No. 2 Manitoba Northern, \$2.18; No. 3 Manitoba Northern, \$2.15; No. 1 Alberta Red Winter, \$2.21; No. 2 Alberta Red Winter, \$2.18; No. 3 Alberta Red Winter, \$2.15.

Prices on the other grades of wheat will be fixed as soon as sufficient information about quality of new crop has been secured by the committee.

Flour millers in the interior west of Fort William and Port Arthur will be permitted to pay in excess of the fixed prices a maximum of one cent per bushel diversion charges.

MUNITION FACTORY FIRES

The Ontario fire marshal, in a recent statement on fire losses, says: "Investigation into the cause of recent fires that have destroyed several of the large ammunition factories in the province have resulted in the adoption of important preventive measures. Lack of proper supervision over the unskilled alien workmen who were employed in some of the most important, and certainly the most hazardous (as regards fire) operations of shell-making, together with gross carelessness, appears, from the evidence adduced, to have been the cause of this enormous fire waste.

"Foreigners, some of whom could not speak English, were employed in washing shells in gasoline. As a result of competition in the labor market, smoking has been permitted in ammunition factories at night. In the case of the Cluff Ammunition Company's fire in Toronto, the evidence showed that a foreigner who was washing shells in gasoline dropped a match on the bench where the shells were drained, and the fire spread throughout the plant very quickly.

"The buildings that were completely gutted had a frontage of about 200 feet by a depth of 170 feet. The fire was fanned by a strong north wind, and, although the fire department had sixteen lines of hose playing on the conflagration, they were unable to more than prevent the fire spreading to the surrounding property.

"The Imperial Munitions Board recently prohibited the use of gasoline, etc., for washing shells. If the management of the various ammunition factories exercised more care and forethought with regard to fire prevention, as well as a more strict supervision, especially over foreigners, a great many fires would be prevented.

"The investigation in connection with the fire at the plant of the Copp Stove Company, Limited, Fort William, ammunition manufacturers, disclosed conditions of a somewhat similar character to those already outlined."