

LONDON IS TIRED OF DOING NOTHING FINANCIALLY

(The following cable messages of the Canadian Associated Press and the Montreal Star are printed by special arrangement.)

FINANCIAL LONDON PACKING TRUNKS

Hub of the Money Markets is Thinking of Holidays— Loan Results

(Staff Correspondence).

London, July 2nd.

Financial London is beginning to think about holidays. July is here with sunshine, the summer resorts are advertising, and the market is dull, very dull. The stock exchange members might just as well have a vacation off the exchange as on. Financial London, therefore, will soon pack up its trunks, having had enough Grand Trunks and other incidents. Even the city editor of the London Observer shows yawns in his column. For instance, yesterday, he asked: "What is there new to write about? If there is anything very noteworthy we regret that we have failed to discern it. Markets are as they were; not as they would be. Most of them would like to go ahead. They fidget ahead a bit and then stand still. Puny "bears" utter their little discordant grumbings, but nobody heeds them. Everybody has one eye on Ulster and the other on July dividends. In the ordinary way the release of these dividends might mean market revival."

Poor Loan Results.

To look for signs of investment activity in underwriting spheres is a disappointing job, too. In getting its issue of £1,000,000 of stock over-subscribed, the Port of London Authority, as one authority puts it, "must consider itself very lucky." That has not been the experience of other borrowers who have since appeared on the market. The city of Keiff loan was applied for only to the extent of 18 per cent., leaving 82 per cent. in the hands of the underwriters. Nor did the sale of Borax Consolidated Deferred shares attract the support expected, the underwriters being called upon to take up 40 per cent. of their commitments. The South African loan also went badly, 64 per cent. of the issue being left with the underwriters. As is known, a large share of the Canadian loan went to the underwriters. A Canadian banker here tells me, however, that the Canadian scrip is now being well taken by investors, and will probably be absorbed altogether within another two months.

Two Big Loans Coming.

Two large loans are hanging over the market, the French and the Brazilian. They will be for heavy amounts. The subscription list of the great French national loan of 800,000,000 francs or £32,000,000, will open on July 7th, and the issue price for each 100 francs will be 91 francs. It has been underwritten several times over. Negotiations regarding the Brazilian loan will be continued next week with the Rothschilds. When these loans are out of the way, financial London will probably buy its railroad tickets for the seaside.

The Grand Trunk Railway Company have sold £2,000,000 bills on a 4½ per cent. basis, secured on Grand Trunk four per cent. debenture stock, and repayable on July 15, 1915. The money is required for the financing of the Grand Trunk Pacific Railway and various branch lines. It is intended during the coming year to dispose of bonds guaranteed by the dominion and provincial governments, the proceeds of which will be used to reimburse the Grand Trunk Railway Company for the amounts advanced.

Grenfell Tangle Talk.

Little new information is available regarding the Grenfell tangle, but the next few weeks will likely disclose a financial network which will, to say the least, prove unusually interesting. Caustic comment still is heard in regard to this failure.—Fred. W. Field.

SOUTH VANCOUVER LOAN

*London, July 13.—The Fife County 4 per cent. loan of £400,000, which was offered at 99½ last week, was fully subscribed. The South Vancouver loan, however, went to the extent of 62 per cent. to the underwriters.

FRENCH LOAN WAS SUCCESSFUL

*London, July 8.—The huge success of the French government 32 millions sterling 3½ per cent. loan and the Indian government's three millions sterling 4 per cent. railway issue are especially cheering. The French Treasury received applications for forty times the amount needed.

The famous woolen stocking of the French people once more showed inexhaustible resources, and small tradesmen, clerks and servants waited patiently from six o'clock in the morning outside the Ministry of Finance, Bank of France, Hotel de Ville and other centres, where 16s. paid over the counter gave the subscriber the right to purchase two shares.

CALGARY OIL AND MISREPRESENTATION

*London, July 8.—Discussing what it calls "Canadian Oil Dangers," the Daily Chronicle, warningly records the frauds reported from Calgary, and says an expert on the spot informed them that the amount of misrepresentation is appalling.

In one instance, borings were made a few hundred yards apart. At a given time the public were invited to inspect the gusher. In due course the gusher produced what was called the purest gasoline, which, in fact, was pumped down one boring and forced up the other.

The expert adds that undoubtedly there is oil in paying quantities, but at the present time little or no systematic prospecting has been done. It is dangerous to purchase shares in the present undeveloped stage.

MAY ISSUE SHORT-TERM NOTES

†London, July 10.—Eric Hambro, presiding at the Investment Corporation of Canada meeting, announced that the board was considering the advisability of borrowing on short-term debentures because they found it impossible, owing to the condition of the market and the demand by the investing public for a higher rate of interest for all securities, especially Canadian, to issue any debenture stock at a price except one that would be damaging to the credit of the company. The company's manager in Canada reported that generally speaking confidence "had been established throughout the whole country and underlying conditions were sound."

GREATER WINNIPEG LOAN ISSUE

†London, July 10.—The prospectus is published to-day of an issue of £400,000 4½ per cent. stock of the Greater Winnipeg Water District Board at the price of 95, redeemable in 1954. The sinking fund is estimated at sufficient to redeem the stock at maturity. It will be provided by a levy upon lands in the district. Proceeds of the issue will be applied to meet the cost of construction of the work for sanitary purposes in the district from Shoal Lake, and to recoup expenditure on the work already completed.

Recent issues are quoted: Dominion one-half per cent. premium; Vancouver sewerage 1½ per cent. discount.

Application has been made for the official listing of the new Quebec scrip.

*Montreal Star cable.

†Canadian Associated Press cable.