

NATIONS DOING TOO MUCH AT ONCE STRAINS CAPITAL

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EUROPEAN MARKETS STILL DISTURBED

Money Continues Tight, While Berlin, Bombay and Balkan Affairs Do Not Help Matters

(Central News cable to The Monetary Times.)

London, November 2nd.—A favorable weekly statement by the Bank of England and the fact that the governors of the institution did not deem it necessary to mark up the minimum rate of discount of 5 per cent., which was established on October 2nd, have had a good effect on sentiment in the city. The money market, however, is tight and the Bank of England reports heavy month-end loaning and discounting. Rates for bills are very firm, owing to the uncertainty of the outlook for gold exports and the fact that £3,000,000 additional treasury bills will be paid for next week.

The weekly return of the Bank, issued yesterday, disclosed a decline in the proportion of reserve to liabilities from 56.30 per cent. last week to 54.50 per cent. The total reserve is now £27,114,000, an increase of £513,000 for the week. There was an expansion in loans during the week of £3,690,000 to £28,619,000.

Mexican Railways Hurt Speculators.

As to the securities markets, a more hopeful feeling prevails, following forced liquidation from Glasgow, where a slump in Mexican railway shares hurt speculators. Dealings, nevertheless, continued narrow, because of the settlement which has just ended, of Saturday's religious holiday (All Saints' Day), and of the Mexican situation. Generally the undertone of Canadian railway and industrial issues has improved. Grand Trunk securities have been affected unfavorably by the dividend outlook. The continental interest in Canadian Pacific is widening and the feeling in them is confident.

Advices from Bombay indicate that the financial situation there has failed to improve as has been expected by representatives of Indian Banks here. Several large dealers in pearls have failed, involving some banks that had been advancing money on stones. The forthcoming settlement in the share market at Bombay is awaited with considerable anxiety. The rise in American cotton has been a disturbing factor. There is little or no credit available in Bombay.

German Bank Rate Reduction.

Monday's reduction in the discount rate of the Imperial Bank of Germany from 6 per cent. to 5½ per cent. was gratifying to bankers here. There was a sharp decline in prices on the Berlin Bourse on Wednesday, and three unimportant brokers suspended. Two fairly large bankers experienced difficulty in arranging their accounts, and it was feared at one time that they would be obliged to suspend, but they succeeded in obtaining the necessary funds. To-day the Bourse was calmer. Advices from Paris indicate that there is an abundance of funds in the French capital. Little buying of securities is going on because bankers wish to be ready for the Balkan and other loans. The approaching settlement is expected to be concluded without incident.

EXPORTERS WILL PRESS SHIP COMBINE

*London, October 27.—The Canadian Associated Press learns that the largest exporters in Manchester have privately combined to bring pressure upon the steamship companies regarding freights to Canada.

BOND INTEREST DEFERRED

*London, October 27.—The North Saskatchewan Land Company, of which F. Walker, H. M. Baird Hammersley, M.P., and Lorne Edgar are directors, publish a notice to holders that its £475,000 sixes, on which interest is due November first, will not be paid, owing to the financial depression and the entailment of bank credits. They hope to resume interest at an early date.

*Canadian Associated Press cable.

*Montreal Star cable.

NORTH BATTLEFORD BOND ISSUE

*London, October 27.—The North Battleford 5½ per cent. issue at 95 is apparently having a poor reception, seeing that the promoters have adopted the unusual course of extending the advertised time of application. The underwriters took less than half of the St. Petersburg two million 4½ per cent. issue. No fresh applications for capital by Canada are expected just yet.

*London, October 27.—It is officially stated that two-thirds of the North Battleford issue of £103,100 five and halves, in addition to the amount taken firm by the underwriters, has been subscribed by the public. The only information on the Nova Scotia Steel and Coal issue of £199,500 sixes is that it was very well taken up by the public. Applications came in very satisfactorily.

HOW CANADA MIGHT GET TWO MILLIONS

*London, October 27.—The Dukes are taking up Lloyd George's challenge in fine style. The Duke of Marlborough's favorite pose in the picture papers just now is as a supervisor ploughing opinions at Blenheim Park, where he is putting under crops one thousand acres granted by a grateful nation to his famous fighting ancestor two hundred years ago.

The young Duke of Sutherland, writing to the Daily Mail, offers Mr. Lloyd George his 200,000 acres of Highland deer forest at £2 per acre, to enable the Government to do what Mr. Lloyd George condemns the Duke for neglecting to do, namely, to grow corn and repopulate the glens.

"This," says the Duke, "is cheaper than land can be bought in any country named by Mr. Lloyd George, and hardly above the price of prairie land in Canada."

Of course, should Mr. Lloyd George accept, as he will not, the Duke will put the resulting £400,000 into six or seven per cent. Canadian investments.

IS VISIT TO FINANCE STEEL PLANT?

*London, October 27.—It is understood that one object of the visit to London of Sir William Mackenzie and J. J. Carrick, M.P., is to raise \$10,000,000 for steel works at Port Arthur. The plans of the United States Steel Corporation to erect a large iron and steel plant in southern Ontario attracted considerable attention among English manufacturers.

The Manchester Guardian, commenting on these plans and the recent Ottawa bulletin on magnetic iron lands at Natashkwan, Que., notes "the determination with which Canada is developing heavy iron steel industries, and the abundant opportunities for those who look ahead. English manufacturers cannot expect to compete very largely for enormous structural or other steel requirements of the West unless they establish Canadian branches. Anyway, the Canadian market, except in isolated instances, cannot be handled like an Indian in slow, fatherly manner from a distance through an intervening agency."

LONDON WILL CHECK PROSPECTUSLESS COMPANIES

*London, October 27.—Alluring illustrated whole page advertisements of the Nakamun Asphalt Oil Company, Edmonton, again appear in to-day's papers, headed "£20 originally invested in oil now worth £80,000."

The advertisement offers 50,000 treasury shares at four shillings and fourpence each, through the Canadian Industrial Development Company.

It is understood that the sub-committee of the London Stock Exchange, as result of investigations made by them, contemplate drastic reforms regarding the introduction of the market of shares of prospectusless companies.

The financial editor of the Daily Press explains the method as follows: "A slip is handed round the market, giving vague information about a certain company. Generally speaking, the shares are introduced at a ridiculously inflated price—the public bid them in and the insiders slide quietly out, the public in turn being bitten."

"These introductions become a scandal, and they have the effect of checking the business of the Stock Exchange by the natural process of disgusting investors."