MONEY AND MAGNATES

Sir William Optimistic.

IN a few short sentences, as he stepped off the boat from England, Sir William Mackenzie summed up the financial situation in London and its effect on Canada, which has been so much a feature of discussion recently. Sir William gave an effective denial to the assertions that Canadian securities were being discounted across the water. The statement of this eminent native financier and railroad king, that our issues were more popular with the British investor than those of any country in the world, is as great a tribute to Canadian prosperity as has been lately heard. It should do much to relieve a certain impression of the general public in Canada, that we have got entirely "in wrong" as far as London is concerned, because some of our municipal financiers met with a stand-off attitude when they attempted to place their loans. Sir William agreed that the congestion in the English market this summer was merely a passing phase. He advised that a "breathing space" be allowed the British investor.

Important among Sir William's remarks, was his assertion that we may have to pay more for our money in the future. For some time, there has been a rumour that Canadians could not much longer expect to borrow at the old 4 and 4½ per cent. Some critics have tried to explain the threatened advance of the interest rate by insinuating that the British investor was becoming rather sceptical of Canada's progress and required greater security. This would mean that our borrowings might have to be restricted.

Says Sir William, "I cannot think of any greater disaster than to have our borrowings curtailed." He does not believe that there is much danger. The London situation is the result of economic causes. There is at one time only a certain amount of capital available for Canadian investment in the cosmopolitan London market. In our expanding greatness, we made heavy demands on the pile this summer. When money began to flow out to us over the speed limit, our financiers were threatened with higher prices. That was natural. It is simply a case of supply vs. demand.

A Query Answered.

A READER of the CANADIAN COURIER in Dartmouth, N.S., asks us our opinion of some Calgary real estate. He says: "The lots are in 'Grand Trunk' district two blocks from the car line. 'Grand Trunk' is bounded on right by Upper Hill, on left by Parkdale, and at bottom by Westmount." He describes them as all level, and the size of the whole, he gives, as 130 x 125—125 feet on the street.

(It is rather difficult for us to tell the value of these lots. It would have been better if you had mentioned the price, and we could then have found out whether or not it was fair. One dealer here estimates them in value at $350 to $400, but we would not advise you to bank too strongly on that information. The property is fairly good, but it is not in the aristocratic portion of the city.

Calgary is going ahead very fast, but not so fast as some of the real estate agents would like to have us believe. Personally, we are not greatly in favor of cheap town lots in the West. We think that a man is safer to buy inside property in all Western cities and towns. A man who purchases a lot with a building on it could get some revenue each year from his purchase, and still share in the general increase in values.)

A Point of Policy.

THE failure of Mayor Geary and Treasurer Coady, of the city of Toronto, to sell that municipality's four per cent. bonds in England, recently, has given rise to much discussion. The city had been warned that the market was unfavourable for an issue. The failure was, therefore, in many circles presaged.

One line of criticism taken by observers of the city in their efforts to secure money, is interesting. That is, that it is time the municipalities of this country ceased sending their civic officials to London and handed over the task of floating civic bonds to bankers or agents who are expert at the game of finance and know market conditions. Those who take this attitude consider that to give the Mayor or the Treasurer a trip across the Atlantic is merely presenting him with a "joy ride" at the public expense.

This condemnation is too easy and too sweeping. It arises from a misconception of the part usually played by the negotiators despatched by a municipality to represent it in London. Important functions are discharged by these men. When a loan is about to be floated abroad, it is their business to arrange with a London house to issue the bonds. After this preliminary, their chief duty is to stand at the call of the banker and help him win the confidence of the public by submitting reliable statistics and information about their city's resources. Who should be better qualified to place the financial standing of a town before the investor than officials of the municipality itself?

Will St. John Enter the Metal Business?

THE most important piece of news that those interested in commercial development in the Maritime Provinces have listened to for some time was contained in the statement of W. Burton Stewart, vice-president and general manager of the Norton Griffiths Company, made in St. John last week, that plans for an extensive steel plant near that city are under consideration. There have been many rumours of such an industry being founded in New Brunswick to match the Dominion over in Scotia. But it has been mostly talk. Though Mr. Stewart's representations could not be called exactly definite, it is believed in reliable quarters that the English firm with which he is connected will push to conclusion the iron and steel project.

As is generally known, Norton Griffiths are now busy building St. John a drydock costing millions. When the brand new port is open for business, it would afford excellent facilities for shipping iron and steel products. The contract for the drydock calls for its completion in four years.

In the meantime, Mr. Stewart and his associates have plenty of time to think over the industrial scheme. They claim to be looking now for a site