SINKING FUNDS AND GOVERNMENT LOANS.

Ontario is Making Small Issue — Brazilian Loan in London.

The Ontario Government is issuing a loan of $290,000 to provide for purchase of timber licenses in Algonquin Park. The bonds are for 30 years, and bear interest at 4 per cent. This loan was authorized at the last session of the legislature.

As a result of careful consideration of the subject the sinking fund system is now firmly re-established in Canada as applying to government loans. In the earlier history of the Dominion it was practice to attach sinking funds to all loans. With but slight exceptions all loans had such funds in earlier years. But after 1885 that policy was changed, sinking funds were abolished, and from that time on for many years none were attached to loans. As these old loans matured the sinking fund attached was found most convenient and advantageous which fact has brought about the re-adoption of former methods.

Purchased Equipment Bonds.

The Dominion Securities Corporation has purchased $3,500,000 equipment 4½ per cent. first mortgage gold bonds, series A1, issued by the Imperial Rolling Stock Company, Limited, and guaranteed as to principal and interest by the Canadian Northern Railway Company.

A London cable message notes the rush of subscribers to the Brazilian loan, issued by Messrs. Rothschild, which was at a premium of over one per cent., the day before the list closed, and quotes a resident Canadian banker's remark that this is evidence of the amount of British capital waiting investment. He considered it a distinct sign of the importance which was attached in London to the auspices under which issues were made and the inducement offered to the premium hunters Given the support of an issuing firm of note, the general investor in London does not discriminate between a republic like Brazil and a portion of the British Empire where his ultimate security is certainly higher.

Incident is a Lesson.

The incident is a lesson as to how much easier it is to raise money when the inducement to the broker to recommend issues to his clients is above the average. It is said that over $500,000,000 was offered and the list actually closed ten minutes after the bank opened; not for a long time has there been such a scene of excitement as was witnessed over this Brazilian issue.

Canadian securities of all kinds are growing in favor and, given reasonable care and attractiveness in the issues made, all the money wanted can be obtained, though in some recent cases the underwriters have had to wait a digestive process on the part of the public to place their holdings. The progress and prosperity of the United States as well as Canada is so steady that it must, in the opinion of the authority quoted and the general body of financiers, be London rather than New York which will furnish the sinews of war for the further development of their boundless resources. The proposed reciprocity agreement, however, is checking enthusiasm somewhat.

The $50,000,000 loan to China by a group of American financiers, negotiations for which have been proceeding for some time, has been signed at Peking.

During the past three months there has been a considerable movement of State banks in Oklahoma to take out National bank charters, and there has been much discussion of this as an evidence of the failure of the bank guarantee law, which has been in force just three years. It has also been remarked that deposits in National banks in Oklahoma have largely increased within a few months, while a decrease in State bank deposits has been reported. There has been talk of a movement among Oklahoma State bankers to bring about a public investigation of the administration of the guarantee fund.

Following closely upon the issuance of a writ by the Union Bank of Canada to recover over $75,000 from the Wilkinson Plow Company, comes the announcement that the corporation has assigned to Mr. E. R. C. Clarkson, Toronto. The company has assets between $400,000 and $500,000 and the liabilities are somewhat less. The plant is in West Toronto and employs 175 hands. An effort will be made to re-organize the industry. The writ issued by the Union Bank was to recover the sum of $72,231.46 alleged to be due upon promissory notes issued by the Wilkinson Plow Company in favor of the West Lorne Wagon Company. The bank also claims $3,276.49, alleged to be due on five promissory notes to the Toronto Pressed Steel Company, bearing the defendants' endorsement.

INTEREST ON MONTREAL LOANS.

Statement of City Treasurer Issued—Municipal Bond Notes.

The statement of the six months' interest to be paid on May 1st on the various loan issues of the city of Montreal, including municipalities recently annexed, amounts to $913,397.51. On November 1st a similar amount will be paid, making a total expenditure during the year for interest of $1,826,795.02. When the annexed wards were brought into the city, they brought an estimated five millions of debt with them, and the city also made a loan of nearly as much more during the year for general purposes.

The statement is as follows:—

Payable at Bank of Montreal, London, England	£94,509	18	4
Payable at National Bank of Scotland, London, England	19,294	2	3
Payable at the Bank of Scotland, Edinburgh..	46	0	6
Total	£113,760	1	1

This is equivalent in currency to $553,632.25; coupons payable in New York, $66,495.50; coupons payable in Montreal, $188,103.48; registered stock dividends in Montreal, $94,166.28; R.C. school coupons in Montreal, $11,000.00; total, $913,397.51.

The city council of Saskatoon has been asked to guarantee bonds of the Saskatchewan Power Company to an estimated amount of $836,000, the company promising to give the city 51 per cent. of the common stock and a controlling representation on the board.

The financial statement of the city of New Westminster, B.C., for 1910 for actual values and including debentures and all other amounts that could possibly be included in the liabilities; assets showed a surplus of $615,000 over liabilities. In 1910 $299,858.75 was expended, which amount included interest and sinking fund. Last year was the first year since 1898 that the city had been asked to put away money for the sinking fund. The receipts for the year were $281,182.75 showing a deficit of about five thousand dollars. Against this, there is an amount of $10,000 still due the city from the British Columbia Electric Railway on the Lulu Island bridge account. The council also paid several thousand dollars of accounts contracted by the 1909 council, of which, it is alleged, they had had no previous warning.

The present population of the town of Herbert, Sask., is over 600, while the assessment on rateable property is estimated at $366,432; the tax rate is six mills, and the school district rate ten mills. The debenture debt now stands at $2,000, this being incurred by municipal improvements during the past two years, $750 being spent in 1909 and $1,000 during 1910, while it is expected that with a large increase in the assessment this year further permanent improvements will be made, thus adding to the beauty of the town.

GRAND TRUNK PACIFIC PLANS.

The Grand Trunk Pacific Railroad is planning to take early steps in the construction of a line into the United States for the purpose of securing direct connection with Chicago. As a basis for this it is believed that the extension of the Regina branch into Ward County, North Dakota, which has been officially announced as intended, is the first step in plans to reach St. Paul and Minneapolis and there secure connection for Chicago. As this extension is to be rushed to completion this summer, such a through route might be a reality in time for the autumn movement of grain.

The Grain Trunk Pacific, it is said, is compelled to make direct connections with the Twin Cities and Chicago in order to be on a parity with the Canadian Pacific and the Canadian Northern. The Canadian Pacific has its own line into Chicago over the Wisconsin Central. The Canadian Northern this fall will have its own line operating to Duluth and Superior and from there will have a traffic agreement with the Chicago and Northwestern to Chicago.

The railroad may be compelled to build a great deal in order to reach the Twin Cities from western Canada, and it is not regarded as likely that it will attempt to construct a line between the Twin Cities and Chicago. It might make a traffic agreement with one of the lines. There also is a possibility that it might purchase the control of one of the lines.

With the Hill lines connected with the Burlington, the Canadian Pacific and the Chicago, Milwaukee & St. Paul having their connections with Chicago via the Twin Cities and the Canadian Northern via Duluth, there is left only the Grand Trunk Pacific of any of the transcontinental lines with no direct connection with Chicago and the Twin Cities from the West.