

by the Central Alberta Development League, designed to promote agricultural development in the tributary territory, should be vigorously continued, and the attention of outside agriculturists drawn in every possible way to the fact that between the Red Deer and the Athabasca rivers lies probably the best mixed farming country on this continent, and that there is to-day, and as far in the future as one can see, a ready market at high prices for almost unlimited amounts of all classes of farm products other than grain. At present it is estimated that less than five per cent. of the good, tillable land in the rich territory referred to is in use. To increase the production of the surrounding land is the surest way to increase the output of Edmonton factories. That is a principle which Toronto and older Ontario will one day have to recognize in regard to Northern Ontario.

The "safety first" movement on the railroads is not corporation sentiment; it is good railroad business.

It is one thing to write new life insurance and another thing to prevent terminations.

HOW TO RAISE THE MONEY?

Mr. Mantle, deputy minister of agriculture, Saskatchewan, has written a lengthy defence of the legislation of that province which has created numerous liens in priority to mortgages. His defence is weak in at least one respect. He does not indicate how mortgagees are to raise the money to pay off all these prior liens which have been placed on the land to pay for improvements which enhance the mortgagee's security. The person who lends money necessarily does not have barrels of it which can be drawn upon to pay off liens for seed grain, destruction of noxious weeds, liens for lumber, etc., etc.

MORTGAGE LOANS FOR SINKING FUNDS

Last week, *The Monetary Times* drew attention, once again, to the undesirable and dangerous practice of cities investing their sinking funds in mortgage loans. It is learned that the sinking fund trustees of the city of Edmonton, at the instance presumably of the city council, have just granted a loan of \$350,000 to a local man who undertook the construction of a large building, whether wisely or unwisely, the people of Edmonton know best. The building was partially completed and little effort apparently was being made to finish it. Edmonton, thinking it an eyesore and a bad advertisement for the city, doubtless thought that its assistance would overcome the difficulty. But considering only the principle involved, the city and its sinking fund trustees made a mistake in advancing the money.

This is the second time that the sinking fund trustees have lent money on mortgage in Edmonton. In each case they have cut the prevailing rate of interest, the loan of \$100,000 a few years ago having been given at 6 per cent. when the current rate was 7, and the present loan has been given at 7 per cent. when the current rate was 8 per cent. The previous loan had some justification on its merits. The present loan may have had, but the fact is not clear. This question is altogether apart from the violation of sound principles of finance in using sinking fund moneys for mortgage loans in the city whose debentures are being protected by the fund.

The matter is a serious one for all Western municipalities. Sinking fund trustees are being discredited. They do not seem to realize that the fund is a trust for debenture holders. Furthermore, there is not a Western town without a speculator who will see a possible life-buoy in the civic sinking fund.

HOW EASY IS MONEY?

The three reductions of the Bank of England rate during January, bringing the rate down from 5 to 3 per cent., renews interest in the probable course of the money market this year. The reductions are an index chiefly to the condition of the London money market and in a lesser degree to the world's money markets. Their effect has not yet been fully felt in Canada, and possibly in view of the cautious policy which will be followed by bankers and others in this country, the bruises from the pinch of tight money may be present during the greater part of the year.

With the easier feeling in London came a rush of new applications for capital. Issues in that market for January totalled £44,228,000, which establishes a new record for the month. It compares with £41,557,000 in January, 1913, and with £24,268,000 in 1912. This year's total includes £26,302,000 for the dominions overseas, £11,160,000 for foreign borrowers, £4,816,000 for the United Kingdom, and £1,950,000 for India. Canada's share was about £5,000,000.

The frequency of new issues is continuing this month. Canadian loans abroad, either made or being underwritten this month to date, total nearly £4,500,000. Sir George Paish, a well-known London authority, looks for continued and continuing ease in the money market for many months. While noting the heavy demands in Europe, he makes the point that much of the money to be raised by the European nations has already been expended, so that the flotation of government loans will "transfer cash from the pockets or banking accounts of subscribers to the intermediaries who have afforded the means to the several governments to carry through their operations. In this way the intermediaries are being, or will be, relieved of a lockup and will be in a position to enter upon new operations on a very great scale."

Other authorities, however, are not quite sure that the present spell of cheap money will last. Both Sir Felix Schuster and Sir Edward Holden have advised Canada to proceed cautiously, spend less and borrow less, urging that this policy is in Canada's best interests. The improvement in money conditions while satisfactory, therefore, is not such as to make us forget the past too quickly.

Those who are looking for things of this kind may be pleased to know that during 1914, "Friday, the thirteenth," appears in February, March and November.

CANADA PROVIDENT'S TROUBLES

The shareholders of the Canada Provident Investment Corporation, with head office at Winnipeg and an "office of the secretary" at Toronto, have good cause to be perturbed. On July 8th, 1913, the company addressed the following letter, marked "confidential," to its shareholders, a large number of whom are ladies:—

"Owing to the unprecedented financial stringency, the Corporation has not been paid a large amount of interest which is due to be received by it, and in addition has had to protect certain other investments in which it is interested.

"It is expected that the results of substantial negotiations now in progress in Europe will be so far successful that before the next date of payment the Trustees will be justified in directing the payment of the amount due."

The phrase "substantial negotiations now in progress in Europe" may have tickled the fancy of the shareholders, whose confidence in the company, by then, was not too strong. The negotiations apparently did not succeed and the large amount of interest due did not come to hand. On January 15th, 1914, a circular letter was addressed to the shareholders stating that the Canada Provident Investment Corporation was confronted by