

TORONTO SELLS MORE BONDS

Lloyd's Bank Takes Two Million Dollars Worth at 89½—Three Sales This Year.

The city of Toronto has placed another \$2,000,000 of its debentures. Lloyd's Bank, London, which acts as the city's English agent, cabled the mayor that it could place another \$2,000,000 of debentures immediately at a slightly more favorable rate to the city than it received for the issue marketed in January last. The offer was considered by the civic treasury board. Lloyds were advised the city would sell another block of debentures if the price were favorable. In reply the bank quoted 89½ rate, or ½ per cent. higher than the amount nett to the city on the January issue.

Treasury Board Accepted Offer.

The treasury board accepted the offer and advised the Lloyds Bank accordingly. The bank, in acknowledging the city's order to sell, requested that the matter be kept strictly private for one week. This was on March 11th. The news became public prematurely on March 17th. However, as the same underwriters have underwritten this latest amount, it may be presumed no danger can occur.

Toronto has now made three issues this year, as follows:—

| Sold in. | Amount. |
|---------------------|-------------|
| London | \$5,224,500 |
| United States | 1,000,000 |
| London | 2,000,000 |
| | <hr/> |
| | \$8,224,500 |

First London Issue.

The first London issue was handled by Lloyds Bank and was for £1,075,000 four per cent. consolidated debentures. They were issued at 92½, and 85 per cent. were reported as left with the underwriters. The subscription list opened on January 27th and closed on January 31st.

The second sale was made to Messrs. N. W. Harris and Company, of Boston. It was for \$1,000,000 four per cent. bonds due on July 1st, 1922. The company offered the bonds to investors at 94¼ and accrued interest, yielding 4.70 per cent.

The third loan, as stated, was handled by Lloyds Bank and was for \$2,000,000.

Issued One-Year Notes.

Unable favorably to float its securities in London last year, the city issued £1,200,000 one-year notes at 4½ per cent.

Prior to that, early in 1912, local financial houses offered as high as 97 for the city's bonds. These offers were refused, the city hoping—vainly as it has since been shown—to receive a better price.

FOUR BIDS FOR THESE BONDS.

Three Toronto bond firms and one Regina firm bid for the North Battleford Rural Municipality, Sask., \$15,000 5½ per cent. 30-year road debentures. The offer of the Flood Land Company, Regina, was accepted.

NEW ISSUES IN LONDON.

In February the new issues in London totalled £20,000,000, in comparison with £23,000,000 in February last year and £14,000,000 in 1911. Of the new issues during the past month, nearly £7,000,000 was for railways, £3,500,000 for governments, and the remainder mainly for industrial undertakings. The issues include £1,000,000 of new capital for the Bank of Australasia.

Total issues for the first two months of the year are £66,086,289, as compared with £47,192,681 in the same period of 1912. The distribution of the new issues in February this year and last was:—

| | 1913. | 1912. |
|---------------------------|-------------|-------------|
| United Kingdom | £ 2,893,270 | £ 5,734,515 |
| India | 108,750 | 3,500 |
| British possessions | 4,681,436 | 2,998,592 |
| Foreign | 12,301,542 | 14,407,912 |
| Total | £19,984,998 | £23,144,519 |

MUNICIPALITIES AGAIN ISSUING SHORT TERM NOTES.

Regina and South Vancouver to Finance in that Way—Civic Authorities Should Act Very Cautiously in this Direction.

That the market for large issues of municipal bonds is little better than during the greater part of last year, is indicated in the action of civic authorities in issuing or renewing short term treasury notes.

The city of Regina will issue treasury notes to the extent of \$1,000,000 in order to secure funds for the financing of the city's local improvement for the present year. The aldermen think that the money market is not in a condition to secure good bids for debentures, and in order not to hold up the work notes will be issued. The Bank of Montreal, acting as fiscal agents for the city, will negotiate the treasury bills. The mayor and treasurer have been authorized to sign the necessary bills.

South Vancouver to Renew Notes.

South Vancouver has decided to renew the treasury certificates aggregating nearly \$1,500,000, authorized for issuance by the Lieutenant-Governor a year ago. Certificates totalling £300,000 were authorized, and certificates to the amount of £257,000 were issued. Those issued fall due on April 1st, 1913, and the council resolved not only to renew them, but to issue the remainder authorized last year, but not used.

The amount of treasury bills issued in London by Canadian municipalities to October, 1912, was estimated by Sir Frederick Taylor, manager in London of the Bank of Montreal, at \$4,770,000. Among civic authorities deciding on that method of temporary financing were the following: Burnaby, Montreal, Moose Jaw, Point Grey, Port Arthur, Prince Rupert, Quebec, South Vancouver, Toronto, Victoria, Westmount, and Vancouver.

Competition for Short Loans.

Short loans, such as exchequer bonds, treasury bills, etc., issued by the Bank of England on behalf of the Imperial Government or the India Council, are eagerly competed for in London, chiefly by the money market, as such securities are always in demand, for even in the most stringent times they can usually be resold, or, as a last resort used as security for loans from the Bank of England. They accordingly are a most liquid and thus an extremely valuable security, practically equal to cash, and form a good reserve against days of financial difficulty. The short dated issues of the county councils and municipalities of Great Britain come close to the above category, but after these a wide gulf, as a general rule, intervenes, for the reason that the issues of colonial and other governments, unless made by the Bank of England, do not command the same privileges and accordingly when tendered as security for loans or offered for sale, especially in periods of stress, do not secure the same terms and conditions, with the result that the market, especially the discount houses, must of necessity limit their holding of this class of security, as it is their constant endeavor to keep their assets in the most liquid condition.

Should Exercise Caution.

Canadian municipalities should remember that the market, as Mr. H. V. F. Jones, the London manager of the Canadian Bank of Commerce has pointed out, generally becomes quickly cognizant of any plethora of securities of this description, and this knowledge tends naturally to react upon the price, not only of the securities of the government or corporation already issued and dealt in on the stock exchange, but on the price at which the new issue is to be made. Prices will tend to fall and in the long run the borrower may have to bear the chagrin of discovering that all his manoeuvres to avoid a period of apparent distress and depreciated prices has ended in failure and possibly severe loss.

UNDERWRITERS TAKE RAILROAD BONDS.

The final showing of the Great Eastern Railway issue in London, which in spite of the 4½ per cent. yield and the fact that it was guaranteed by the British Columbia Government, shows that 60 per cent. has been left with the underwriters.

The result suggests that the success of Montreal's 4½ per cent. issue was due to its attractiveness and not to any loosening of the purse strings of the investing public, says a cable to the Montreal Star.

STOCKS AND BONDS—TABLE NOTES

(u) Unlisted.
 † Canadian Consolidated Rubber Bond Denominations, \$100, \$500 and \$1,000. Steel Company of Canada, \$100, \$500, \$1,000. Sherwin Williams, \$100, \$500 and \$1,000. Penmans, Ltd., \$100, \$500 and \$1,000. Canadian Cottons, \$100, \$500 and \$1,000.
 ‡ Quarterly.
 Quotations for Coniagas, Crown Reserve, La Rose, Nipissing and Trethewey will be found among the Toronto Exchange figures.
 Quotations of Cobalt and Porcupine Mining Stocks are those of Standard Stock and Mining Exchanges.
 All companies named in the tables will favor The Monetary Times by sending copies of all circulars issued to their shareholders, and by notifying us of any errors in the tables.
 ** Trethewey pays no regular dividend. They have paid:—1906, 4%; 1907, 4%; 1908, 15%; 1909, 25%; 1910, 10%; 1911, 20%; 1912, 10%.
 Montreal prices (close Thursday) furnished by Burnett & Co., 12 St. Sacrament Street, Montreal.
 Figures in brackets indicate in footnotes date on which books close for dividends, etc.
 (1) Mar. 27-Apr. 3 (3) Mar. 21-31 (4) Mar. 19-Apr. 2 (5) Mar. 17-31 (6) Mar. 17-31 (7) Mar. 17-31 (8) Mar. 31-Apr. 18 (9) Mar. 24-Apr. 21