Canadian bonds and their upward movement to first-class colonial and foreign corporation issues.

There are two factors apparently working towards higher prices. The one is the easy money market in this country; the other is the keen competition among bond firms. The old-established houses, who know the business, from beginning to end, down to a fraction, can be counted almost on the fingers of two hands. There is a plethora of newly-established firms, many of which must surely have entered the bond-buying field simply on the strength of 1908 being an exceptionally favorable year for the purchasers of this class of securities. But that does not mean similar conditions will be in vogue this year or next year. To this list, must be added several United States and British houses, while many banks and insurance companies bid direct for Canada's municipal issues. The result is that competition is of the keenest variety. It has the effect of raising the average bid cent by cent and dollar by dollar. Fifty cents even has meant a win or a loss to a bond house.

Examples of Strenuous Competition.

Every man in the purchasing arena is reducing the distance between now and the future, so that he may be first to magnetize new municipal bond issues towards his way. How severe is the competition and how enterprising the up-to-date firm must be is perhaps best illustrated by the Moose Jaw debenture sale. The by-law to raise $38,000 for sewer and water extensions was voted on by the Moose Jaw citizens on March 29th and passed the same evening. A well-known brokers' house at Regina appeared before the council at the same time with an offer for the debentures. The brokers were there with a bid even before the third reading of the by-law. Similarly, the city of Medicine Hat received an offer for certain debentures, "conditional on immediate acceptance."

Such speed and competition is helping to raise prices. Some municipalities are beginning to feel they have matters pretty well their own way. A reasonable offer is often refused and a higher and perhaps less reasonable one, accepted. That has the dual effect sometimes of making a record price for the debentures sold and of bringing a little kudos to, in many instances, a firm which is in need of it. If prices continue in this skyward route and a bad slump ensues it will be due, to a large extent, to the artificial atmosphere created by some of the bond houses. Too high a figure cannot be paid when the return is from four to five per cent. In a new country the opportunities for remunerative investments are many. It is to be hoped that, despite the competition among bond firms, some sort of unspoken compact will be made to prevent the municipal bond market from taking its temporary position in the clouds.

Perhaps the average number of bids for an issue of any consequence is twelve. There are at least fifty firms bidding for these securities, making their whole business in this line or just as a side issue. Then there are, say, eight United States and London houses, together with a dozen Canadian banks, insurance and trust companies. The total municipal and provincial government securities sold during the first three months of the year amounted, according to the compilation of the Monetary Times, to $10,573,329. That is an average of $151,047 per house for the first three months of the year, or an average of $50,000 per house per month. Naturally, these figures are but rough guesswork; at the same time they illustrate what a number are seeking a little. The question, Will a slump in the municipal bond market weed out some of this competition? is a question which will be answered in the not distant future.

Attitude of Banks Toward Bond Market.

The situation generally appears to be appreciated by the banks. In the United States a noticeable reduction in the volume of bond trading has been discussed. During the past three months, the large financial institutions, banks and trust companies across the border have materially reduced instead of having added to their holdings of bonds. In the case of one institution, which held on January 1st $30,000,000 of these securities, that sum had been reduced by the end of March to $20,000,000. So far as the Canadian banks are concerned, while they have not actually reduced holdings, the figures do not show a great appreciation.

	Feb. 1908	Jan. 1909	Feb. 1909
Dominion and Provincial Government securities	$ 9,557,806	$10,279,599	$10,240,070
Canadian municipal securities and British, foreign and colonial public securities	19,903,095	19,661,134	20,590,405
Railway and other bonds, debentures and stocks	41,817,541	46,074,690	49,349,203

A special general meeting of the shareholders of the British North American Mining Company will be held in Montreal on April 26th to consider the advisability of changing the company's name and its authorized capital and share value.

The capital expenditure on the branch of the Royal Mint at Ottawa for 1908 was $86,936; cost of maintenance, $12,755; salaries, $59,181; copper bullion, $6,948; silver, $204,993; gold, $742 total for bullion, $212,684. Coining amounted to $23,290 copper, $313,338 silver and $636 gold sovereigns. The net profit on the gold coined was $13, on silver $175,709, on specimen coins $745, on copper $418,709. The face value of silver was $313,338, $22,397 being deducted as the amount of coin produced from worn silver recoined, and $115,231 worth of bullion, making a profit of $175,231. The bullion and coining of the $23,290 of copper coins was $4,581, a profit of $18.709. The total capital expenditure on the Mint to the end of 1908 was $528,377.