

## UNITED STATES BUYS CANADIAN BONDS

Montreal's London Loan—Toronto's Recent Transaction  
—Indigestion in England—Mexico's Finances

Montreal, through its financial agent, the Bank of Montreal, has placed on the London market a loan of \$7,000,000 at 4½ per cent. The loan, while floated at par, brings a net return to the city of 98, the commission and other incidental charges having to be assumed by the city authorities.

More than 75 per cent. of the \$1,040,000 Toronto bonds purchased by Messrs. N. W. Harris and Company, of Montreal and Boston, are said to have been sold. This enterprising firm also acquired a block of \$1,089,000 4 per cent. Vancouver bonds. These purchases have attracted much attention, especially that of Toronto.

Other purchases by United States firms are reported pending. This transaction was made through Messrs. W. L. McKinnon & Company, Toronto, on a commission of one-quarter of one per cent. The price received by the city was 92.52 and interest.

## Regarding Municipal Financing.

In criticizing the price a Toronto daily says, "The bungle of the Toronto loan is being commented on freely in financial circles, and generally the opinion prevails that from the promoters' standpoint the issue was most desirable.

"Toronto is paying five per cent. for its money, and might have obtained it at 4 3-5, the price the investors are obtaining."

Messrs. W. L. McKinnon and Company, the intermediary brokers state in reply to this criticism, that there is a money stringency existing throughout the world to-day which has caused the prices of Canadian municipal debentures to drop all along the line. Edmonton's debentures, for example, between July, 1912, and February, this year, went down fifteen per cent. Hamilton's dropped in twelve months seven per cent. Saskatoon's last issue was ten per cent. less than the preceding issue.

And Mr. A. L. Fullerton of the Dominion Securities Company in discussing the sale suggests, "That one thing is sure, for it has been proved: No English banking house is prepared at this time to pay any such price for city of Toronto bonds; then why grumble if a banking concern on this side is willing to make the purchase at a rate which cannot be obtained elsewhere in the world's money market? Moreover, the fact that the last sale for a longer term was for \$80 odd, while this for nine years is for \$90 odd, would seem to show a fair and reasonable price has been obtained."

## Appetite has Limitations.

Canadians had been very large borrowers on the London market during the last few years, suggested Chairman Tomkinson at the annual meeting of the Bank of British North America, which was quite a healthy sign of the country's growth, so long as the capital obtained was wisely and economically spent.

At the same time the appetite of the English investing public was not unlimited and there were now signs of an attack of indigestion.

The investing public, in quite a number of cases, had failed to come forward to relieve the underwriters.

The present time was very unfavorable for fresh capitalistic expenditures, owing to the activity of trade at home, which kept money dear, while the requirements of foreign governments would also have to be met in the London market.

"We have a fairly wide acquaintance," said the speaker, "with those who undertake these new issues. We think it would be wise of them not to do so without realizing the difficulties they may meet and the high rates they may be required to pay."

## Mexico's Financing.

President Huerta is quoted as saying that a French banking house has offered the best terms for a large Mexican loan for pacification and rehabilitation purposes. The government has ordered a mintage of \$1,250,000 in pesos and half pesos to relieve the heavy drafts on the banks due to the export of coins instead of bullion.

The net revenue to Medicine Hat, Alta., for the sale of natural gas for the past year was almost \$60,000. If the weather had not been so mild for the latter part of the year, Engineer Grimmer estimates that the total would have run close to \$100,000 net. For the year 1911 the net profits from this department of the city's public utilities were \$23,280. This is accomplished by selling the gas to consumers for domestic use at 13½ cents per thousand and to manufacturers at 5 cents per thousand feet.

## STRINGENCY FELT IN WESTERN CANADA

Increased Immigration—General Trade Conditions—  
Building at Edmonton

Monetary Times Office,

Winnipeg, March 5, 1913.

Mr. J. Bruce Walker, commissioner of immigration at Winnipeg, reports that during January of this year there was an increase of 53 per cent. in immigration over January of last year. The increase through United States ports amounts to 16 per cent. over the same month last year. In January, 1913, 5,873 newcomers entered the Dominion through ocean ports as against 3,848 in January of last year, an increase of 2,024. From the United States 5,028 entered during the month as against 4,321 in January, 1912, an increase of 687.

## Collection and Loans.

The industrial outlook is a little clouded by the money stringency at present, but this is considered to be only temporary. General business interests are not suffering a great deal from the lack of accommodation.

There is no lack of demand for loans, but the volume of business in that connection is being restricted by the limitation of funds for that purpose.

Collections have not improved to any extent, but local jobbers are optimistic in the matter. It is expected that more money will be available as more grain is marketed and industrial work becomes more active.

A country merchant in Saskatchewan blames the machinery men for tightness of money.

Clever salesmen, says he, sell many farmers more implements than are actually necessary. The machinery house is secured better than the other merchants that supply merchandise to these farmers.

The merchant referred to claims that many farmers purchase on credit more machinery than their farms can pay for; they are careless regarding this equipment, and before they are paid for the implements are practically worn out through neglect.

## Development Continues.

The railways are preparing to do a great amount of work this year, and if the announced programmes are carried out, the mileage added to the western country during 1913 will be substantially greater than in any previous year.

At Edmonton there are indications of a very active season in the building trades, architects and contractors reporting a large amount of business in sight for so early in the season.

## LARGELY INCREASED MINERAL PRODUCTION

An increase of \$29,906,495, or nearly 29 per cent., is shown by the preliminary report on the mineral production of Canada during 1912.

The total value of the year's production was \$133,127,489, or a per capita production of \$18, the highest on record. Nearly every important mineral in Canada shows an increased production in 1912, so far as value is concerned. In the case of silver only is there a decrease in quantity, and this only two per cent., the increase in total value of the silver mined being due to higher prices. Increases in output are as follows:—

Pig iron, 10.5; gold, 28; copper, 40, and lead 50 per cent. Increases in total value are: Silver, 12; Nickel, 31; copper, 85, and lead 93 per cent.

Coal shows an increase of 30 per cent. in tonnage, gypsum 11, and cement 26.

Ontario is still the premier province, being credited with 38 per cent. of the total production, or \$51,023,134 worth. British Columbia, Nova Scotia, Alberta and Quebec range in the order named.

The Canadian Alkali Company, Limited, with a capital stock of \$200,000, is said to have acquired considerable acreage just inside the lower limits of Sandwich, and near the United States Steel Corporation site. The plant will rival the Alkali industry on the Detroit side of the river, represented by the Solvay Process Company, Pennsylvania Salt Company and Michigan Alkali Works. Large salt beds are said to underlie the company's property. With one exception the men heading the new industry are Detroit capitalists. They are Mr. James Inglis, president; Mr. William McBain, of Toronto, vice-president; Mr. M. G. Borgman, treasurer; and Mr. H. S. Dodson, secretary and general manager.