BONDS and MUNICIPAL CREDIT

CANADIAN RAILROAD BONDS

Floated in London—Quebec Government Will Not Sell Issue Yet—Notes of the Market.

In July Canada made a record in London in the matter of bond and stock flotation. August and September did not usher a single Canadian loan in London. A revival in Canada's appetite for money has been apparent during October and the early part of November. A block of $3,150,000 7 per cent. preference shares of the Canadian Car and Foundry, Limited, has been taken up overseas, while an issue of £850,000 4 per cent. Canadian Northern Railway perpetual consolidated debenture stock has also been floated there. A London cable this week states that Messrs. Morgan and Company have issued £1,520,000 5 per cent. 50-year first mortgage bonds of the Alberta Great Waterways Railway. Both the principal and interest are guaranteed by the Alberta Government, the guarantee being under an Act passed in February, 1909. The issue was oversubscribed. Mr. William R. Clarke is the financial manager of this road, which holds a charter to build from Edmonton to Fort McMurray. When Mr. Clarke returned from Europe it was stated he had brought back with him fourteen millions of money for railroad construction, of which amount $7,400,000 was in stock and $7,000,000 in bonds sold at a good figure. It was then said that the majority of the money obtained was French capital secured in Paris.

Quebec Government Want 102 for Bonds.

The Quebec Government place a high value on their Provincial debentures. Early this year they desired to sell an issue of $750,000. Messrs. N. W. Harris & Company, of Boston, made a bid of 101 therefor. This was considered by bond experts to be an eminently satisfactory price, especially as it was one point above the prevailing Canadian market price. In June, the debenture issue had grown to $1,500,000 or thereabouts, and the bond firms were circularized with a view to obtaining new offers. If any were received they were not satisfactory to the Quebec Government, who have not yet decided to take any action in the matter. The money is required for the construction of a new gaol for the Montreal district. The cost of this work is chargeable to the judicial district of Montreal and payable from judicial taxes in that district. Up to the present the Provincial Government has advanced the money for the cost of the new building and will probably continue to do so unless they receive an offer of 102 for the debentures which they have power to issue.

United States Government Bonds Sold Below Par.

For the first time since 1879 United States Government bonds with fixed maturity changed hands the other day for less than their face value. This was under pressure of continuous sales of small blocks of bonds by national banks. Sales of Panamas 2s were made at 99⅞. There are $84,631,980 Panama Canal 2s outstanding, and of these $76,190,180 are deposited to secure circulation, and $4,379,000 to secure public deposits.

Of the 2 per cent. bonds of 1930 there are $646,250,000 outstanding, of which $573,451,450 are deposited to secure circulation, and over $24,150,000 to secure public deposits.

Market for Canadian Municipals.

Enterprises of highly speculative character seem to have withdrawn attention from such high-grade securities as municipals. Many town and city treasurers appear to think that the market is not to be blamed for the moderate figures being received for blocks of municipal securities. Not long ago civic financiers were able to borrow without trouble at par on a four per cent. basis. The best offers made now are usually below that figure. Instead of recognizing market conditions it is thought best by some to withhold their securities, if the work for which money is required does not press, or to provide for the expenditure contemplated on loan account by borrowing from the banks. This procedure has been questioned. Perhaps it is the only way by which municipalities can escape from the market of moderate prices. So long as industrial activity continues, so long will the highest grade securities fetch a moderate figure. There are always people who prefer greater hazards with a more or less remote possibility of profits, and big profits.

Weston, Ontario, recently advertised for sale an issue of $57,000 30-year 4½ per cent. bonds, but as previously noted, the prices received were not considered satisfactory. This week the Weston council discussed the guarantee by the County of York of these bonds, which are for waterworks purposes. It was decided to petition the county to guarantee the payment of the principal and interest of the debentures.

The Nelson, B.C., $31,089.65 5 per cent. issue of local improvements debentures, maturing in 10 equal annual instalments, was divided among four firms and investors. The award has already been noted in these columns, but the following are the complete details from our Nelson correspondent:—Dominion Securities Corporation, $16,000; C. R. Somerville, London, $10,000; A. Somerville, London, $5,000; and F. L. Irwin, Nelson, $89.65; total, $31,089.65. The price obtained in each case was 99, a very satisfactory figure.

Toronto Wants Power to Issue Treasury Bonds.

A suggestion has been made that debentures be issued in order to secure money for the financing of the Queen Street high level bridge, Toronto. The various railway companies will then be charged with their shares in the work. Mayor Oliver thinks the best way is to raise the money on treasury bills, and anyway the city of Toronto will probably seek power to issue treasury bills in the near future.

The following are cabled changes in prices of Canadian securities:—Canada convertible bonds, 1911, 100 to 101; C.P.R. 50-year land grant bonds, 1938, 100 to 102; Manitoba sterling debentures, 1928, 100 to 102; Canada registered, 1938, 100 to 102. A complete list appears elsewhere in this issue.

NOTES OF BIDDING.

Seven bids were received for the Maple Creek, Sask., $45,000 5 per cent. 30-years sewerage debentures, which were awarded to Messrs. Nay and James, Regina.

There was a difference of only $1 in the two bids received for the Guernsey, Sask., $1,500 5½ per cent. 10-year sidewalks and street debentures which were awarded to J. Addison Reid, of Regina.

Twelve offers were received for the Nanton, Alta., $16,000 5 per cent. 20-year electric light and power debentures, awarded to the Bank of Hamilton. Messrs. Hornibrook & Whittemore bid for this issue.

For the Beaverton, Ont., issue of $7,000 school debentures, which were awarded to J. A. Proctor at par, seven bids were received. These bonds bear interest at the rate of 4½ per cent., and mature in 1939.

Ten bids were received for the $103,000 4½ per cent. 20 and 30-year debentures, of Barrie, Ont.. Twenty thousand dollars of these were withdrawn, and the remainder, $83,000, were awarded to Brent, Noxon & Company.

Ten bids were received for the Wetaskiwin, Sask., $30,000 5 per cent. 3-year school debentures. Seven of these tenders were from Toronto houses and three from Western firms. This issue was awarded to J. Addison Reid.

For the Jerome S. D. No. 1506, Man., $1,000 5 per cent. 10-year school debentures, four bids were received. The Toronto General Trust Company tendered for this issue. Messrs. Brent, Noxon & Company were the successful bidders.

SCHOOL DISTRICTS BORROWING MONEY.

The particulars given are in order, name, number of school district, amount required, and correspondent:—

Saskatchewan

Kilbach, No. 2421, $1,200. S. Dolejsi, Melville.
Round Valley, No. 2321, $700. J. H. Poper, Unity.
Glen Eagle, No. 2331, $1,200. W. Finlayson, Harris.
Bromley, No. 2364, $1,400. D. W. Dearborn, Richards
Blink Bonnie, No. 2409, $1,500. J. L. E. Clark. Pense
North Battleford, R.C., No. 16, $800. W. H. Convey, North Battleford.