MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

Chatham, Ont.—An issue of $16,600 waterworks extension bonds has been approved.

Winnipeg, Man.—Messrs. Wood, Gundy and Company, Toronto, have acquired $750,000, Greater Winnipeg Water District bonds.

Medicine Hat, Alta.—About $11,000 of tax arrears have been paid since January 1st, and the tax sales realized $15,000 up to April 1st.

Edmonton, Alta.—City Treasurer Barnhouse has reported payment of $50,000 tax arrears, since the announcement that the city would hold a tax sale.

Maisonneuve, Que.—The Banque d'Hochelaga is calling for tenders for $700,000 5½ per cent. 20-year-bonds of the city of Maisonneuve. Bids may be for the full amount or for $400,000. Tenders close on April 18th, and must be addressed to General Manager, Banque d'Hochelaga, 112 St. James St., Montreal.

British Columbia.—The following certificates have been issued by the British Columbia municipal department: Prince George, by-law No. 44, waterworks, $15,000, 15-years, 6 per cent., payable half-yearly, and bonds thereunder; by-law No. 46, electric light, $15,000, 15-years, 6 per cent., payable half-yearly, and bonds thereunder.

Lincoln County, Ont.—For an issue of $16,000 5 per cent. 10-years, the bids were:—

Imperial Bank	$96.63
Canada Bond Corporation	96.61
R. C. Matthews and Company	96.50
Macneill and Young	96.21
Brent, Noxon and Company	95.43
G. A. Stimson and Company	95.36
A. E. Ames and Company	95.31
Morgan and Company	95.27
Kerr, Fleming and Company	95.18
W. L. Mackinnon and Company	95.07
W. A. Mackenzie and Company	95.03

Alberta.—Sealed tenders will be received by the Alberta bond branch of the department of education up to April 17, on four blocks of school district bonds amounting to $11,140. Separate tenders are to be made on each block: (1) Birdsview S.D. (Rural), $1,200, 10-years, 7 per cent. (2) Fosk Consolidated S.D., $1,000, 10-years, 6 per cent. (Village district for assessment purposes.) (3) Lac la Biche S.D., $1,800, 10-years, 7 per cent. (Village district for assessment purposes). (4) Bouvier S.D., $350, 10-years, 7 per cent.; Sutherland S.D., $390, 10-years, 7 per cent.; Scollard S.D., $1,000, 10-years, 7 per cent.; Kleskun Hill S.D., $1,200, 10-years, 7 per cent.; Crickledale S.D., $1,200, 10-years, 7 per cent.; Harvest Vale S.D., $1,400, 10-years, 7 per cent.; Northland S.D., $1,600, 10-years, 7 per cent.

BRITISH COLUMBIA'S FIRST LUMBER CARRIER

(Staff Correspondence.)

Vancouver, April 7th.

In his report on the timber import trade of Australia, Mr. H. R. MacMillan, commissioner of the department of trade and commerce, states that one of the reasons Canada lost its hold on the lumber business was because sailers were in control on the other side. Just as this report has been issued by the department, the first of the British Columbia built fleet of lumber carriers is going on berth at Chemainus to load for Sydney. This is the Mabel Brown, built at the Wallace shipyards, North Vancouver. Four of these auxiliary ships are now in the water, two at North Vancouver and two at the yards of the Cameron Genoa Mills Shipbuilders, Limited, Victoria, and before the summer is over they will be on their way to overseas ports with lumber cargoes. So the report is opportune, just when lumber manufacturers are more able to take advantage of opportunities, and the suggestions and observations on the import trade of Australia will have special value.

SUGGESTED RAILWAY PROBLEM SOLUTION

Sir Thomas Tait, in a pamphlet just issued, offers a solution of the Canadian railway problem, which is, briefly, the acquisition by the government of the entire common stock of the Canadian Northern and Grand Trunk Pacific Railways for, possibly, a nominal consideration, with the assumption of all the assets and liabilities of those roads, with a guarantee by the government of interest on their bonds and debenture stock, supplementary to existing guarantees; the Dominion to lease the Canadian Pacific Railway system in perpetuity for a rental equivalent to an agreed annual return on its common stock, and assume all the liabilities of that company and all its assets, except the lands, minerals, timber and cash.

The five systems, including the existing government railways and the Canadian Northern Railway, Grand Trunk Railway, Grand Trunk Pacific and Canadian Pacific Railway, under this plan would be administered on behalf of the Dominion by a company known as the Canadian Railway Company, to be incorporated. The company would have a capital of ten million dollars and a board of nine directors. Fifty-one per cent. of the capital stock would be subscribed and paid for and held by the Dominion, the balance by citizens of Canada. The government would guarantee five per cent. dividend. Four directors, capable railway administrators, would be appointed by the government, and the rest elected annually by the citizen shareholders, all to be paid good salaries. The Dominion would finance the whole system, including additions and improvements.

INSURING AGAINST THE INHERITANCE TAX

A decided impetus has been given inheritance tax insurance in the United States by the recent insurance of his life for $2,500,000 by J. Pierpont Morgan. The object of this insurance is to pay the inheritance tax on his estate when he dies. This plan of life insurance, while quite common in England, is new to this continent, and this is the first case of any considerable magnitude. The insurance was written by Harold Pierce, a representative of the New York Life at Philadelphia, and the premium involved was $112,000. It might appear at first thought, says the Detroit Indicator, that so large an estate as Mr. Morgan's might easily take care of the inheritance tax, and so it might were there any certainty as to the condition that it would be in at the time of death. The insurance provides for this tax and leaves the estate undisturbed until conditions can be studied and adjusted. It is the immediate availability of the money which gives to inheritance tax insurance its especial value, as all present needs can be met at once, and the integrity of the estate preserved. In this connection it is interesting to note that the Supreme Court of Massachusetts has rendered a decision to the effect that the proceeds of a life insurance policy are not subject to an inheritance tax. This renders the purpose for which inheritance tax insurance is taken more certain, and emphasizes the advantages of life insurance as an investment.

This insurance is intended to provide for not only the state inheritance tax, but also the federal. According to a table prepared by the Mutual Life, this latter tax is at the rate of 1 per cent., or $500 on the first $50 000, and the rate increases until on an estate of $5,000,000 it is $341,000. On all amounts in excess of $5,000,000 it is 10 per cent. As an illustration as to how the inheritance tax works, the case of Lamon V. Harkness, an official of the Standard Oil Company, who died January 17th, 1915, is given by the Mutual Life. His estate was appraised at approximately $100,000,000, and it paid to New York State an inheritance tax of between $3,000,000 and $4,000,000. Had he died on or after September 8th, 1916, his estate would have been compelled to pay the federal tax also, amounting to $10,000,000, thus bringing the total tax to almost 15 per cent. of his estate. The law provides that the tax must be paid within a year after the death of the property owner, and should it remain unpaid ninety days after the expiration of this year of grace, the government can satisfy its claim by foreclosure. The executor of an estate is immediately confronted with certain pressing obligations and ready money is needed. If there should not be enough money on hand to satisfy all demands and pay the inheritance tax, the executor would be compelled to sell all or a part of the estate to meet them. To prevent this sacrifice and preserve the integrity of the estate is the object of inheritance tax insurance, and it suggests a matter for the serious consideration of the business man.