

# MONEY AND MUNICIPALITIES.

The feature in the municipal bond market has been the exceptionally high price obtained for the last Ottawa issue of \$577,000 4½ per cent. school debentures. The price obtained was 102.71, and a glance at the bids received shows that the bond houses generally were willing to bid at very much the same figures.

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As a matter of fact, we believe, these bonds are now held by a company in the United States, from whence many concerns have been casting their investment eyes upon Canadian municipal bonds. The income basis of bonds of cities in the United States of a similar size and population as Ottawa, is about four per cent. or less.

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The bond business is remaining much better than had been anticipated for the holiday season, when naturally it is generally quieter. There is a tendency towards higher prices, and a large demand exists for municipal securities generally. In face of this, comparatively few issues are to be obtained.

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Cobalt is experiencing difficulty in disposing of \$15,000 10-year 6 per cent. bonds. This is but natural, despite the worthy cause to which the loan, if obtained, will be applied. The money is desired for the purpose of establishing a school system. Mining towns have always had trouble in raising municipal loans. They are usually made up of so many blocks of frame buildings, thereby constituting a dangerous fire risk. The appalling catastrophe in the mining districts of British Columbia the other day is an example of what may happen. Then again the life of such towns is determined usually by the length of time that ore is mined. So much depends on chance that it is easy to understand why these municipalities have difficulty in floating their bonds.

## NEWS AND NOTES.

A by-law to raise \$12,000 for electric light plant purposes has been passed at Wetaskiwin, Alta.

Pincher Creek, Alta., will vote on Friday on a by-law to raise \$20,000.

Port Arthur, Ont., will extend its water mains and sewers on various streets, at an expense of \$55,000.

Winnipeg may have some difficulty in disposing of its issue of \$600,000 power debentures.

Six tenders were received for the city of Chatham \$51,740 local improvement debentures. As already noted, W. C. Brent, of Toronto, was the successful bidder.

Kemptville, Ontario, has decided to issue \$6,000 20-year debentures for the use of the Board of Education for school purposes. Work has already begun on the school buildings.

The decision of the Lieutenant-Governor-in-Council, in the matter of the assent to the \$625,000 loan by-law of St. Louis, Que., will be announced shortly.

The tax rate of Medicine Hat, Man., has been fixed for the year at 16 mills—11¼ mills for general purposes and debentures, and 4¼ mills for schools.

Thirlstone School District, No. 483, Man., vote to-day on a by-law to borrow \$2,200, by the issue and sale of debentures, for schoolhouse purposes.

Killarney, Man., has passed a by-law to provide \$2,000, by the issue and sale of ten debentures, for the purpose of granting a bonus to George Collison to assist him in building an electric light plant.

A by-law to authorize the borrowing of \$4,000, payable in 20 years, with interest at 6 per cent. per annum, payable yearly, for the purchase of land for public park purposes, has been passed by Melita, Man.

A by-law to raise \$25,000, by the issue of debentures, for waterworks and sewers purpose at Carman, Man., will be submitted to the electors on August 18th. A. Malcolmson is secretary-treasurer.

The \$5,000 Langham, Sask., town debentures will not be placed on the market at present, the Northern-Crown Bank having offered to finance the town for all immediate requirements.

Regina ratepayers have refused to sanction the issue of debentures, \$25,000 for a trunk sewer and \$50,000 for waterworks extensions. The mayor and the majority of the council are said to have opposed the presentation of the by-laws at present on account of the general financial situation.

The municipality of Richmond, which lies close to Vancouver, has asked the latter city to purchase \$40,000 worth of 5 per cent. debentures. The city solicitor is looking into the matter to see if the city can legally invest its sinking fund in this way.

The town of Springhill, N.S., after raising the rate of interest to 4½ per cent. has received an offer of 90 for their bonds. But they hope to get more by offering the whole amount to three banks represented locally—the Union of Halifax, the Bank of Commerce, and the Bank of Nova Scotia.

The proceeds from the sale of the Wetaskiwin, Alta., \$67,000 debentures have not yet been received, but the debentures are being prepared and arrangements are being made to secure all the money necessary for ordinary business in connection with the city expenses, through the Imperial Bank, on security of unpaid taxes and as an advance on taxes to be collected for this year.

Amherstburg, Ont., ratepayers will vote on August 18th upon a by-law to authorize the purchase of a new site and the erection of a new public school building thereon, and to provide for the issue of \$20,000 debentures therefor. The amount of the rateable property of Amherstburg is \$643,059, and the existing debenture debt, exclusive of local improvements, \$55,866. No principal or interest is in arrears. Mr. J. H. C. Leggett is town clerk.

The recent issue of bonds of Glace Bay, N.S., to the amount of \$106,000, as noted elsewhere, have been sold to Messrs. F. B. McCurdy and Company, of Halifax, at 93. This is better than the price obtained last year when the municipal bonds were sold at 91. Then they were repayable in instalments, being known as serial bonds. The town of Glace Bay was incorporated in 1901 with a population of about 6,000. It now has a population of from 17,000 to 18,000. The municipal authorities are seeking a city charter.

Limoulu, Que., has adopted a by-law providing for the construction of drain and sewers at a cost not exceeding \$30,000, and a reservoir with a capacity of at least 200,000 gallons, costing not more than \$8,000; and authorizing the corporation to expend a sum of \$22,000 to open new streets, put in order old ones, extend the waterworks system through the new streets, buy hose and install hydrants to protect the dwelling houses against fire and supply them with water. For these purposes, debentures will be issued for \$60,000, redeemable in 40 years and bearing interest at 5 per cent.

At a recent meeting of the East End Ratepayers' Association of Vancouver, Mr. J. J. Miller, president of the Grandview Association advocated a radical change in the method of assessing city property. He said that promoters of industries and parties looking for property investments were ever looking for the city which had a low tax rate and this factor played a far more important part in the minds of outsiders than the Vancouver authorities seemed to understand. The assessing of all city property to a point nearer its real valuation, thus doubling the present assessment roll, was advocated, thereby making a corresponding reduction in the tax rate.

## OTTAWA'S DEBENTURES ISSUE.

Twelve tenders were received for the \$577,000 30-year 4½ per cent. bonds of the City of Ottawa. Under the head principal and interest payable in Ottawa, six bids were received; principal and interest payable in London, three bids; option principal and interest payable in Ottawa or London, two bids; principal and interest payable in New York, one bid.

The Ottawa City Council had previously notified that bids requiring principal and interest payable in London would be considered by them as two points less, while those requiring principal and interest payable in New York would be considered as one point less. We think that this was not quite a fair provision, although none of the bidders for the bonds objected. The two points and the one point less, respectively, are somewhat high estimates. From the city's point of view it would be better to have their paper in their own office.

It is understood that Ottawa will not sell any further debentures in Canada this year.

The net debenture debt of the city is \$1,856,764. The assessed value for taxation is \$44,828,882. The population is 76,260.