

TORONTO AND ITS STREET RAILWAY.

The City of Toronto will receive \$93,969.15 as its share of the gross receipts of the Toronto Railway Company in July, which amounted to \$469,847.72. For June the municipality obtained under the agreement \$93,417 out of gross earnings of \$467,086, and in July, 1915, \$89,821.64 out of takings by the company of \$449,108.20. For the eleven months of the "agreement year," which began on September 1st, 1915, the city has received \$804,539.45 as its percentage of earnings amounting to \$5,322,699.25.

BOND DISPUTE SETTLED.

The district of Burnaby, B. C., dispute in regard to the treasury certificates has been settled between the council and Messrs. Spitzer, Rorick and Company, Toledo, Ohio, on the basis of par and accrued interest to July 27th. Spitzer, Rorick and Company has voluntarily withdrawn the suit in the New York courts and will pay all the legal expenses in connection with the action. The treasury certificate issue of \$1,250,000 has been redeemed and the collateral debentures of \$1,716,000 have been surrendered by the Equitable Trust, of New York, to the Royal Bank of Canada for cancellation.

According to the Monetary Times the details of the case, as follows: The district of Burnaby sold in November, 1913, to Spitzer, Rorick and Company \$1,250,000 three-year notes, the district having the privilege of redeeming them at any interest date after November, 1914, upon giving six months' notice, providing the proceeds for the retirement of the notes were derived from the sale of the collateral bonds held as security for the notes. Should the notes not be retired by the municipality by September 1st, 1916, the Toledo bond firm were to have the right to sell the bonds held as collateral against the notes at any price fixed by the bond house. The collateral bonds, which amounted to \$1,716,000, were 4½ and 5 per cent. long-term bonds, maturing in various years between 1927 and 1953. These were deposited with the Equitable Trust Company, of New York.

During the past year the municipality recognized that the conditions were changed, and that they would not require to spend as much money on local improvements, etc., as had been anticipated. They, therefore, sought power from the British Columbia legislature to make an issue of \$1,000,000 six per cent. serial debentures, maturing in 20 instalments, in place of the \$1,716,000 long-term securities noted above. This action, they pointed out, would reduce the debenture debt by \$716,000, and would also reduce the annual levy by over \$15,000. This was considered a wise and economical move, in view of prevailing conditions, and the provincial legislature, therefore, gave the necessary authority for the change.

The district then proceeded to issue the \$1,000,000 serial bonds, which, with the sinking funds already in hand (which has accrued on account of the collateral bonds of \$1,716,000, and the unexpended balance of the proceeds of the note issue would put the district in funds to retire the \$1,250,000 treasury notes, and still leave a small balance available for application to complete the various works authorized by the several by-laws under which the collateral bonds were issued. With the serial issue outstanding the notes automatically would be retired.

The district decided to call for tenders for the serial bonds. Spitzer, Rorick and Company did not bid for them. Several bids were received and the bonds were awarded to Wood, Gundy and Company, Toronto. The district stipulated that the proceeds from the sale of the \$1,000,000 serial bonds were to be paid to the municipality by a certain date. In this way they would have the funds to retire the notes in May instead of in November, 1916, thereby saving a half-year's interest charges. Due notice of their intention to retire the treasury notes was advertised thirty days prior to May 17th. The Toledo bond house then issued an injunction on behalf of a number of the noteholders to restrain the district from redeeming the notes in the way proposed. The case has now been settled in the manner noted above.

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