

BONDS and MUNICIPAL CREDIT

IN BOND CIRCLES.

Montreal and Westmount Raise Loans—Alberta Railway Bond Tangle—Royal Bank Bids for New York City Bonds.

Montreal city council has authorized the flotation of the annual loan to cover permanent works to be done during the coming season. The new loan is for \$4,500,000, 40 years, bearing interest at 4 per cent. This loan, which will form part of the consolidated debt of the city, is floated in virtue of an increase in the assessed valuation of property. The total borrowing power under this head, including the borrowing power not utilized during 1908 and 1909, amounts to \$4,748,646.

The Investment Trust Company has purchased \$500,000 6 per cent. first mortgage sinking fund gold bonds of the Canadian Consolidated Felt Company, Limited. The company is, in some respects, a subsidiary concern of the Canadian Consolidated Rubber Company, and the bonds now purchased are guaranteed unconditionally as to principal, interest and sinking fund by the Canadian Consolidated Rubber Company. A large portion of the bonds has already been sold to investors, but it is likely that a portion of the remainder will be offered for public subscription within the next few weeks.

The Consolidated Felt Company, Limited, was one of the recent mergers. It has \$1,500,000 common stock, \$500,000 preferred and 500,000 bonds, which will be in the market shortly. The company absorbed the Berlin Felt Boot Company, capitalized at \$193,100, the Kimmel Company at \$123,000, and the Elmira Felt Company at \$23,900.

Another Issue in London.

The City of Westmount has issued in London through Parrs Bank, \$500,000 4 per cent. debentures, being part of an issue of \$1,057,000, of which the balance, \$557,000, was issued simultaneously in Montreal. The debentures are in denominations of \$500 (£102 14s. 10d.) each. Interest is payable half-yearly. Principal and interest are payable in London (in sterling) or Montreal (in dollars). The principal is payable May 1, 1954. A sinking fund for the redemption of the debentures has been created by the city. The city of Westmount is within the city of Montreal, of which it is the most important residential district, having a population of 15,000. The city owns property to the value of \$2,255,000, and includes taxable real estate valued at \$24,356,020. Its revenue for the last fiscal year, \$290,000, exceeded its expenditure for the same year by \$40,000. The city's total debt, inclusive of the present issue is \$2,798,000.

Alberta Railway Bonds.

Following the course adopted by the Union Bank, the Dominion Bank, which holds \$400,000 of the Alberta and Great Waterways Railway money, has taken out an interpleader summons in the case started against it for recovery of the proceeds of the bond issues. This means, if granted, that both banks will pay the money they hold into court and become neutral parties in the suit. The Royal Bank alone, which has the remaining six millions, will fight the case.

The following are cabled quotations on Canadian securities in London this week:—Canada Government bonds, 1910, 102-104; British Columbia bonds, 1917, 101-103; Newfoundland sterling bonds, 1947, 78-80; Canada Registered, 1909-34, 90½-91½; Canada Inscribed, 1947, 76-78; Newfoundland Inscribed, 1913-38, 95-96; Ontario Registered, 1946, 103-109; Hamilton City, 1934, 100-102; Ottawa City, 1926-46, 100-101; Quebec, 1923, 100-102; Saskatoon City, 1938, 105-107; Vancouver, 1931, 101-103; Winnipeg, 1913-36, 100-102.

New York City Bond Sale.

After more than seven hours of canvassing, at the close of what Comptroller Prendergast, of New York City, termed the "greatest bond sale that has ever taken place in any municipality," the accountants, attached to the Finance Department announced to-night that the \$60,000,000 issue of corporation stock at 4¼ per cent. would be awarded at an average of 100.904 and will bring a premium of \$60,542,441.50 to the city. The largest individual award—\$11,000,000—goes to Kuhn Loeb and Company. J. P. Morgan and Co.—goes to Kuhn Loeb and Company. J. P. Morgan and Co., acting with the National City Bank and the First National Bank, were unsuccessful with a bid of 100.87 for "all or none." They lost by a narrow margin of only \$4-

241.50, for their bid would have netted the city \$60,538,200. In all 568 bids were received, aggregating \$424,933,030. Among the principal bidders was the Royal Bank of Canada five lots of \$100,000 each from 100.03 to 100.264; \$150,000 in lots of \$50,000, from 100.38 to 100.63; \$25,000 at 100.71; \$25,000 at 100.76.

Consols for Small Investors.

It is stated that the British Government is considering measures to popularize consols and make them easily available to small investors by issuing to bearer bonds in denominations of five and ten pounds. These may be purchased at post-offices, where the coupons also can be cashed, free of the income tax. This reform has long been advocated as a means of arresting the continued decline in the price of consols, which heretofore, owing to difficulty of negotiation, have been held mainly by wealthy individuals and financial institutions.

Mr. A. J. Ferguson, vice-president Detroit United Railway Company states that all arrangements in regard to the \$1,500,000 4½ per cent. bond issue have been completed. It is understood that the company have arranged with New York bankers to carry the bonds until the end of the year. If the bonds have not been placed by that time, the underwriters will take them up. It is practically settled that a five per cent. dividend will be declared on February 7th.

OTTAWA'S FINANCES.

City Treasurer Ellis Has Prepared Annual Statement—Small Surplus—Question of Rate Reduction.

City Treasurer Ellis, of Ottawa, has prepared his annual financial statement showing a surplus in the general account of \$2,856.22, and in all accounts for which taxes are levied of \$8,816.24. This is exclusive of the waterworks which has a surplus, counting the \$50,000 debenture, and of the debenture account.

The surpluses are: general account, \$2,856.22; interest and sinking fund, \$7,404.35; hospitals, \$1,931.22; total, \$12,192.22. The street watering has a deficit of \$3,375.98, leaving the net surplus at \$8,816.24.

Total Waterworks Expenditure.

Under debentures there was expended last year \$185,916. The debenture deficits were: grandstand, \$10,647; fire stations, \$10,897; isolation hospital, \$620. The surpluses were: Kent street relief sewer, \$3,743; Bank street subway, \$0,231.

The total expenditure in the waterworks department was \$215,001.99 and the surplus \$1,280.31. In addition the expenditure on the aqueduct, covered by debenture, was \$134,967.95, and on new mains, also covered by debenture, \$50,000. The statement of the general funds shows the revenue was \$45,497 over the estimate. The main items were the \$30,000 from the government; \$800 extra for liquor licenses; \$3,042 for tobacco licenses, and \$4,350 for the sale of the Kent street property. In the overdrafts the board of works takes the lead with \$26,045 spent more than estimated; scavenging, \$6,097; city hall, \$1,039 and Lansdowne park, \$3,245 of overdrafts.

To Reduce Rates.

Another civic official has prepared a statement showing how the tax rate of the city could be reduced to 20 mills on the dollar and yield more money than was taken in last year on the rate of 22.2 mills. He proposes a cut in all the rates including the public school board but not the separate school rate. Based on the 20 mills the revenue this year would be:

General fund, 8 2-20 mills, \$486,720; interest and sinking fund, 4 11-20 mills, \$273,539; hospitals, 13-20 mills, \$36,071; collegiate, 1 1-20 mills, \$63,124; public school, 5 14-20 mills, \$271,050; separate school, 10 mills, \$125,658; total, \$1,256,462.

Last year's revenue was: General fund, 9 mills, \$461,839; interest and sinking fund, 5 mills, \$256,750; hospitals, 13-20 mills, \$33,377; collegiate, 1 3-20 mills, \$59,052; public schools, 6 8-20 mills, \$257,280; separate schools, 10 mills, \$111,500; total, 22 4-20 mills, \$1,179,798.

The increases at the lower rate would be: general fund, \$24,881; interest and sinking fund, \$16,789; hospitals, \$2,694; collegiate, \$4,072; public schools, \$13,777; separate schools, \$14,158. The school rate is left with the school board, but a reduction by the public school board is expected.