

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

The view is sometimes expressed that relatively, Toronto's debt is greater than that of similar cities in the United States. In his annual report on the funded debt of the city, Mr. T. Bradshaw, commissioner of finance, says that he has not had a full opportunity of investigating this question, but in making a comparison it is essential to bear in mind that \$97,730,920 is the city's entire funded debt, inclusive of debts for annexed districts and for all of the civic undertakings, such as hydro-electric, street railway, waterworks, sewers, schools, parks, local improvements, etc. Mr. Bradshaw continues:—

The tendency in Canada is towards following the British plan of municipal ownership of utilities. In most of the United States cities the street railway, light and power plant, and frequently the waterworks plant are owned and operated by privately financed corporations. Generally speaking, in Great Britain and in Canada where the enterprises have been placed in the hands of experienced and competent administrators, the municipalities have been justified in the course adopted.

Many of the large United States cities not only have their own debts, but are more or less responsible for debts contracted by school districts within their bounds, or for a share of the indebtedness incurred by the authority of the county in which they are situated; or they may be saddled with a portion of the debt of a metropolitan park or a sanitary district, and therefore, it is difficult to arrive at a uniform basis of comparison. In the province of Ontario, in contrast with the provinces of Quebec, Manitoba, Saskatchewan and Alberta, the municipal debt includes the school debt, and therefore, Toronto's school debt of \$14,821,658.13 forms part of its total funded indebtedness.

Practically two-thirds of Toronto's debt has been contracted for what would probably be generally regarded as the five most essential services of a progressive and well-governed municipality. The city's unique growth, and its present important position in finance, commerce and manufacturing, are in no small degree due to these services. They are as follow:—

Five essential services.	Amount.	Per cent. of whole.
Local improvements (sidewalks, pavements, etc.)	\$21,801,458.51	22.31
Education	14,821,658.13	15.16
Water	14,495,946.74	14.83
Light and power	7,898,000.00	8.08
Sanitation	5,927,605.10	6.07
Total	\$64,944,668.48	66.45

Over 45 per cent., or \$44,644,491 of the entire debt has been incurred for undertakings which produce sufficient revenue to cover either wholly or in part their debt charges—interest and repayment of principal.

Trail, B.C.—The taxpayers have voted in favor of the \$80,000 waterworks by-law, and tenders are being asked for the bonds.

Belleville, Ont.—By-laws to equalize the assessment of all local manufacturing establishments and to purchase Victoria Park for \$5,000 have been carried.

Petrolia, Ont.—The town council has passed a by-law authorizing the issuing of 20-year bonds to the amount of \$15,000, to enable the Petrolia Hydro-Electric Commission to make extensions of the power line.

Red Deer, Alta.—Tenders close on June 26th for \$30,000 treasury bills dated July 1st, 1917, repayable \$10,000 each, one, two and three years. A. T. Stephenson, city commissioner. (Official advertisement appears on another page.)

Burnaby, B.C.—Information regarding the new issue of \$28,000 was asked by Messrs. Wood, Gundy and Company, Toronto, who informed the council that the demand would be about 6½ and there would be some difference in dealing in issues of one, two, three and four years, instead of two, three and four years. The company was asked to submit a proposition.

Edmonton, Alta.—City Comptroller A. N. Mouat reports that the city's total revenue for the first quarter of 1917 was \$199,887, an increase of \$89,635.18, as compared with the first quarter in 1916. As against \$193,209.69 at March 31st, 1916, the controllable expenditures, under central administration for the first quarter of the current year are \$168,101.46, a reduction of \$25,108.23.

Edmonton, Alta.—The sinking fund board is to purchase unsold treasury bills amounting to \$710,000 belonging to the city, this arrangement being sanctioned by the council. The Imperial Bank advanced a loan of \$600,000 on the strength of these bills on the understanding that sufficient taxes would be realized from the tax sale to pay the loan in full, but by this means, an Edmonton despatch states, the loan has only been reduced to \$346,000. As the city will shortly have to offer the treasury bills for sale against 1916 taxes, it is considered that a flotation at the present time might affect the market in respect to the further sale.

Listowel, Ont.—For the issues of \$20,000 5½ per cent. 30-year school bonds, \$15,000 5 per cent. 15-year loan bonds, the tender of Messrs. W. A. Mackenzie and Company was accepted. The bids from Toronto houses were:—

W. A. Mackenzie and Company	\$33,070
Brent, Noxon and Company	33,011
C. H. Burgess and Company	32,807
A. E. Ames and Company	32,778
Imperial Bank	32,593
R. C. Matthews and Company	32,477
Canada Bond Corporation	32,308

Peterboro, Ont.—The following tenders were received by Mr. F. Adams, city treasurer, for the \$90,000 5 per cent. 30-year hydro-electric and \$9,742.82 5 per cent. 30-year sewer bonds:—

Bank of Nova Scotia	90.79	\$90,556.50
Daly, R. A. and Company	90.50	90,266.79
Dominion Securities Corporation	89.76	89,529.15
Meredith, C. and Company	89.337	89,107.24
Mackenzie, W. A. and Company	88.07	87,843.00
Ames, A. E. and Company	87.92	87,693.88
Canada Bond Corporation	87.52	87,294.98
Matthews, R. C. and Company	85.50	85,280.00

The tender of the Bank of Nova Scotia was accepted.

Saskatchewan.—The following is a list of bond applications granted by the Local Government Board:—

School District.—*Alton, \$1,200, 10-years, not ex. 8 per cent. annuity. Secretary-treasurer, J. B. Holdfeld, Jansen.

*Being sold by the Local Government Board.

Rural Telephone Companies.—Bergthal, \$8,000, 15-years, not ex. 7 per cent. annuity. R. S. Breckenridge, Rosthern; Aldenburg, \$17,000, 15-years, not ex. 8 per cent. annuity. M. J. Monegan, Expanse; North Hazenmore, \$20,700, 15-years, not ex. 8 per cent. annuity. T. H. Bristow, Hazenmore; Scotsguard Pioneer, \$6,900, 15-years, not ex. 8 per cent. annuity. Robt. Stevenson, Scotsguard; Darmody, \$5,400, 15-years, not ex. 8 per cent. annuity. H. J. Moore, Darmody; Valley Centre, \$9,500, 15-years 7 per cent. annuity. O. W. Howards, Gull Lake; Deer Lodge, \$11,000, 15-years, not ex. 8 per cent. annuity. H. M. Halderson, Birch Hills; Landestrew, \$10,700, 15-years, not ex. 8 per cent. annuity. H. F. Pepp, Landestrew.

Saskatchewan.—The following is a list of bonds reported sold:—

School Districts.—St. Basillian, \$500. H. O'Hara and Company, Toronto; Dysart, \$6,000. W. L. McKinnon and Company, Toronto; Saltoun, \$2,000. Canada Landed National Investment Company, Winnipeg; Dovedale, \$1,200. Canada Landed National Investment Company, Winnipeg; Manchester, \$1,200. Nay and James, Regina; Dunbrody, \$1,800. Nay and James, Regina; Murphy, \$1,200. Goldman and Company, Toronto.

Rural Telephone Companies.—Jansen, \$8,400. W. L. McKinnon and Company, Toronto; Bench, \$14,800. W. L. McKinnon and Company, Toronto; Rainton, \$1,000. W. L. McKinnon and Company, Toronto; Prairie Union, \$6,500. Goldman and Company, Toronto; Biggar Cochrey, \$1,000. W. L. McKinnon and Company, Toronto.

Village of Ponteix, \$4,100. W. L. McKinnon and Company, Toronto.

Town of Herbert, \$2,800. W. L. McKinnon and Company, Toronto.