

## MUNICIPAL BOND MARKET

## The Monetary Times' Weekly Register of Municipal Activities and Financing

Apparently the recent offerings of provincial and municipal bonds to Canadian investors at high interest rates have had some effect in reducing the special loans, some of them of long standing, which the important cities and provinces had been carrying with the banks, says Mr. H. M. P. Eckardt in the New York Financier. These new issues were put out at prices yielding the investors from 5½ to 6½ per cent. Then, in addition, the bond houses, in case of certain of the issues, offered concessions of ¼ per cent. and ½ per cent. on the par amount of the purchase to parties taking more than a stated sum. When allowances are made for these special terms and for commissions, etc., it will be seen that the loans must have cost the borrowers from 7 to 7½ per cent. Those are high rates for such high class paper. For example, a loan of \$1,000,000 costing 7 per cent. means that the municipality must pay in interest \$70,000 per year during the currency of the loan. (Most of the new issues run from three to ten years.) Perhaps the city in question was accustomed to getting its money in London before the war at an interest cost of, say, 4¼ per cent. So the rise in interest thus represents an extra annual burden of \$27,500 for each \$1,000,000 borrowed at present rates. Such terms, therefore, operate powerfully to cause the municipal and provincial authorities to cut down their expenditures wherever possible or practicable; and in that way they are forcing the people to be most careful and economical.

**Stratford, Ont.**—The city council will issue five-year debentures for its \$50,000 gift to the Patriotic fund.

**Aurora, Ont.**—An issue of \$8,000 6 per cent. 20-year waterworks extension debentures was awarded to Mr. J. M. Walton, the selling price being \$7,940.

**Carleton, Ont.**—Tenders will be received up to October 3rd for an issue of \$60,000 5½ per cent. 40-year debentures. Charles Macnab, county clerk, Ottawa, Ont.

**Smith's Falls, Ont.**—No award was made of the issue of \$135,000 6 per cent. 20-instalment hydro-electric debentures, all offers being considered too low.

**Sudbury, Ont.**—W. F. Morgan Dean and Company, Hamilton, have purchased two blocks of 5 per cent. 20-year bonds, amounting to \$21,000 and \$17,226, respectively.

**Redford, Sask.**—Tenders were to be received up to September 27th for an issue of \$10,200 rural telephone debentures. R. J. Rivett, secretary-treasurer, Wilkie, Sask.

**Sherbrooke, Que.**—Debentures amounting to \$25,000, issued in 1892 to cover previous issues, were paid in cash on maturity at the Canadian Bank of Commerce. Last year bonds to the value of \$50,000 were paid immediately they became due. Another issue of debentures to the amount of \$90,000 will mature in 1920. Ample provision has been made for meeting these on maturity.

**Toronto, Ont.**—The municipality's current expenditure up to August 31st has been \$7,771,744, as compared with \$8,875,037, which would be eight months' share of the \$13,312,556 provided in the estimates. While there have been many expenditures during the past eight months which have not been paid, the indications are that it is unlikely that there will be any considerable deficit at the end of the year.

Expenditures made by the different departments are given as follows:—

	Estimate.	Expended.
Justice administration .....	\$ 98,667	\$ 106,739
Jail .....	14,432	17,584
Board of Health .....	238,892	244,826
City treasurer .....	290,003	306,851
Fire department .....	940,926	1,069,529
Abattoir .....	76,675	122,671

So far as the abattoir is concerned, the maintenance cost for eight months is higher than the estimate for the whole year, which was \$115,012.

**Saskatchewan.**—The following is a list of debenture applications granted by the local government board during the week, August 27th to September 7th, 1917:—

School Districts.—Sunny Corner, \$2,500 10-years, not ex. 8 per cent. annuity; H. F. Lucas, Milestone. Cymric, \$2,000 10-years, not ex. 8 per cent. annuity; Geo. Deakin,

Cymric, East Butte, \$1,600 10-years, not ex. 8 per cent. annuity; J. Lawson, Ardkenneth. \*Sceptre, \$7,000 20-years, not ex. 8 per cent. instalment; W. R. Ducie, Sceptre. \*Taelman, \$1,200 10-years, not ex. 8 per cent. annuity. Geo. Gaylord, Patner, Green Corn, \$1,800 10-years, not ex. 8 per cent. annuity; L. Mellbye, Surprise. \*Franko, \$700 5-years, not ex. 8 per cent. annuity; P. D. Savchook, Canora. South Traill, \$1,200 10-years, not ex. 8 per cent. annuity; E. Erickson, Frontier. \*Sand Hill, \$1,200 10-years, not ex. 8 per cent. annuity; Ed. Hinsche, Forres. \*Aisne, \$2,000 10-years, not ex. 8 per cent. annuity; S. Fowler, St. Swithin. Return, \$1,800 10-years, not ex. 8 per cent. annuity; Chas. Swanson, McEachern. Festubert, \$1,800 10-years, not ex. 8 per cent. annuity; Chas. Swanson, McEachern.

Towns.—Wilkie, \$6,000 20-years, interest at 7 per cent. annually; T. A. Dinsley, Wilkie. Wadena, \$4,500 10-years, interest at 7 per cent. annually; J. F. T. Saich, Wadena; \$1,400 15-years, interest at 7 per cent. annually; J. F. T. Saich, Wadena; \$500 10-years, interest at 7 per cent. annually; J. F. T. Saich, Wadena.

Rural Municipalities.—Bitter Lake, \$5,000 10-years, not ex. 7 per cent. instalment; L. A. Moore, Forres. Winslow, \$6,000 10-years, not ex. 7 per cent. instalment; R. H. Percival, Druid.

Rural Telephone Companies.—Authorization will issue on evidence of a satisfactory sale being submitted. Glenavon South, \$3,700 15-years, not ex. 8 per cent. annuity; Geo. W. Moodie, Glenavon. Richard, \$11,000 15-years, not ex. 8 per cent. annuity; H. G. Graham, Richard. Alsask, \$21,500 15-years, not ex. 8 per cent. annuity; F. J. Clark, Alsask. Hafford, \$13,200 15-years, not ex. 8 per cent. annuity; M. Allen, Hafford. Ferland, \$22,000 15-years, not ex. 8 per cent. annuity; J. M. Coutare, Fournierville. Elrose, \$11,300 15-years, not ex. 8 per cent. annuity; C. W. Springfield, Elrose. Shell River, \$9,900 15-years, not ex. 8 per cent. annuity; H. A. Marchany, Marchant Greve. Birch Hills, \$5,700 15-years, not ex. 8 per cent. annuity; A. Jamieson, Birch Hills. Aneroid South, \$18,200 15-years, not ex. 8 per cent. annuity; P. Madden, Aneroid. Thurlby, \$13,300 15-years, not ex. 8 per cent. annuity; P. Stapleton, Kincaid. Wolfe, \$8,000 15-years, not ex. 8 per cent. annuity; A. R. Driver, Wolfe. Lac Pelletier, \$3,100 15-years, not ex. 8 per cent. annuity; C. R. Hunter, Swift Current. Troy, \$500 15-years, not ex. 8 per cent. annuity; G. G. Bulstrode, Qu'Appelle. Ridpath, \$8,300 15-years, not ex. 8 per cent. annuity; B. A. Higgins, Ridpath. Shackleton, \$800 15-years, not ex. 8 per cent. annuity; J. W. Cassburg, Shackleton. Longlaketon, \$1,000 15-years, not ex. 8 per cent. annuity; S. W. Arneil, Selton. Last Chance, \$3,800 15-years, not ex. 8 per cent. annuity; Jas. Wiggins, Grenfell. Leslie, \$3,400 15-years, not ex. 8 per cent. annuity; F. A. Howe, Leslie. Horse Lake, \$7,100 15-years, not ex. 8 per cent. annuity; Fred Ironside, Kelliher. Dewdrop, \$5,400 15-years, not ex. 8 per cent. annuity; H. C. Furnell, Vantage. Wabash, \$10,300 15-years, not ex. 8 per cent. annuity; A. M. O'Brien, Willmar. Big Gully, \$2,200 15-years, not ex. 8 per cent. annuity; John Kay, Lloydminster.

The following is a list of debentures reported sold through the local government board from August 29th to September 7th, 1917:—

Rural Telephone Companies.—Meadowvale, \$10,000; W. L. McKinnon and Company. Winton Park, \$15,600; W. L. McKinnon and Company. Gottlinger, \$4,300; W. L. McKinnon and Company. McGee, \$6,600; W. L. McKinnon and Company. Lancer, \$22,700; W. L. McKinnon and Company. Tiree, \$4,800; W. L. McKinnon and Company. Eldon, \$3,500; W. L. McKinnon and Company. Eye Hill, \$38,500; W. L. McKinnon and Company. Doyton, \$8,000; W. L. McKinnon and Company. Eddy, \$5,500; W. L. McKinnon and Company. Bright, \$5,700; W. L. McKinnon and Company. Deer Lodge, \$10,000; W. L. McKinnon and Company. Plymouth, \$2,100; Bond and Debenture Company, Winnipeg. Loch Ayr, \$2,200; Bond and Debenture Company, Winnipeg. Montmartre, \$1,200; Mrs. J. Burnett, Regina. Verwood, \$8,000; Pirt and Pirt, Regina. Maple Slope, \$15,500; Goldman and Company, Regina. Bestville, \$16,600; Goldman and Company, Regina. Elbow, \$16,900; Goldman and Company, Regina. South Pennant, \$10,800; Goldman and Company, Regina. Springwater, \$7,500; Goldman and Company, Regina. Polar Crescent, \$6,200; Kerr, Fleming and Company, Regina. Conger, \$3,600; Kerr, Fleming and Company, Regina. Battlevale, \$2,000; Mrs. E. Rowed,

\*Being sold through local government board.