

## MUNICIPAL FINANCING

## Toronto Obtains Five Millions—Local Sales and Expenditures—Interest Rates Raised

Toronto has secured a one-year loan to the amount of \$5,000,000 from Lloyd's Bank, London. The money is advanced against treasury notes with bonds as collateral. The interest charge is approximately 5½ per cent.

An English banking concern also holds an option on \$2,000,000 of the city's debentures, the option expiring September 1st.

An offer has been received by Brandon Council from the Harris Trust and Savings Company, of New York, to purchase \$275,000 10 or 20 years, 5 per cent. bonds at 88½. The same firm offered to buy a parcel of \$41,000 at 86, 30 years at 5 per cent., and decided to accept the offer.

## Proposals and Probabilities.

At a meeting of Point Grey Council, Mr. W. J. Twiss, of the Mutual Life Insurance Company, said that if the municipality really wanted to finance its own power plant that the residents themselves should purchase the bonds, that is providing they were issued in small denominations.

The money market and the bond situation was discussed at length at the recent meeting of the Saskatoon school board. The board has \$110,000 in bonds on the London market for sale, the balance of a \$175,000 issue, and from reports to hand it seems these will be disposed of soon.

While discussing the general financial policy of Winnipeg in connection with a deficit on the exhibition, support was accorded by the council to Alderman Crowe's statement that each year should bear its own responsibilities.

The suggestion has been made by a school trustee in South Vancouver that that municipality should not borrow any more money on the debenture plan, but should pay for improvements when they are made by a special tax. He argues that for every twenty cents borrowed eighty is paid, and that the burden on posterity is too heavy. The argument always has been that debentures should be spread over a long term for the very reason that posterity enjoys the benefit of the expenditure, and that it was hardly fair that the present owner of property should pay out for capital expenditure. Permanent improvements last a considerable time, and if a municipality adopted the principle of paying cash in the year the improvements were made, it would see one of two things happen. Either people would not go into the district and build homes for the pleasure of paying high taxes, or they would wait until the greater part of the burden had been borne by those already there. It is hardly probable that this suggestion will be adopted generally or approved.

## Cities Need Money.

Owing to the increased value of money there is no demand for five per cent. forty-year debentures, so it has become necessary for Swift Current council to change the interest rate to six per cent. for thirty years. New by-laws will therefore be submitted asking the ratepayers to sanction this conversion. The amounts are \$88,000 and \$28,500.

Both the city of St. John and the school board of the city will shortly have bond issues to offer. The city has made large expenditures on important public services this year, and has important plans for next year, rendering it necessary to float loans.

## ANOTHER ISSUE OVERSUBSCRIBED

The Canadian Northern Railway's issue in London of \$7,500,000 five per cent. secured notes at 98 has been oversubscribed, the lists being closed in advance. The scrip was later quoted at ¼ premium for special settlement.

## ANOTHER GRAND TRUNK ISSUE.

The Grand Trunk Railway is issuing £500,000 five per cent. notes in London in addition to the £1,500,000 notes sold a few weeks ago. The new issue was placed at 98½ as against 98 for the former, which is quoted at 1¼ per cent. premium.

## MONTREAL HOPES TO FLOAT LOAN

The Bank of Montreal has informed the city treasurer of Montreal that a rising market may make it possible for the city to float its \$11,000,000 loan before the end of the year. The loan represents the balance of the amount the city is authorized to float this year by virtue of the 1912 increase in its assessed valuation.

## BOND TENDERS INVITED

## Monetary Times' Weekly Register of Information for Bond Dealers and Municipal Officials

**Lethbridge, Alta.**—\$362,500 debentures.

**Bruderheim, Alta.**—\$500 debentures for purchasing fire apparatus.

**Gadsby, Alta.**—\$2,500 debentures for grading street and building sidewalks and fences.

**Oyen, Alta.**—\$3,300 debentures for grading streets, building sidewalks, and digging well.

**Ottawa, Ont.**—Up to August 28th for \$1,164,706 debentures. Tenders to be addressed Chairman, Board of Control.

**Rosetown, Sask.**—Until Aug. 20th, for \$13,500 7 per cent. 20-year debentures. A. Wilson Clark. (Official advertisement appears on another page.)

**Wetaskiwin, Alta.**—Up to August 20th, for \$81,000 5½ per cent. debentures. E. Roberts, secretary-treasurer, Wetaskiwin. (Official advertisement appears on another page.)

**Togo, Sask.**—Until August 23 noon, for \$10,000 20-year 6 per cent. school debentures. C. A. Hulse, secretary-treasurer, Consolidated S.D. of Makaroff. (Official advertisement appears on another page.)

**Maple Creek, Sask.**—Until August 25th noon, \$15,000 (local improvements), cement walks, 20-year, 6 per cent; \$10,000 waterworks and sewer extensions, 30-year, 6 per cent. D. Paterson, secretary-treasurer. (Official advertisement appears on another page.)

## DEBENTURES AWARDED

**Rosthern, Sask.**—\$10,000, to Imperial Bank.

**Eldersley R.M., Sask.**—\$4,000 6½ 20-year debentures, to Flood Land Company, Regina.

**Brandon, Man.**—\$45,000 (of a block of \$500,000 for sale) to the Canadian Phoenix Insurance Company.

**Brandon, Man.**—\$316,000, to Harris Trust Company, New York.

## RAILROAD EARNINGS

The following are the railroad earnings for the week ended August 14th:—

	1913.	1912.	Increase or decrease.
Canadian Pacific Railway	\$2,630,000	\$2,677,000	— \$47,000
Grand Trunk	1,150,198	1,098,423	+ 51,775
Canadian Northern	436,900	401,800	+ 35,100

## CANADIAN DEBENTURES SOLD IN PARIS.

The Credit Foncier Franco Canadien has floated on the Paris market an issue of \$3,000,000 debentures for investment in mortgages in Canada.

According to the last annual statement of the company, the Credit Foncier Franco Canadien had upwards of \$40,000,000 invested in Canada. The high rates prevailing for mortgages on good properties make new investments of this kind attractive at present.

## TORONTO'S HYDRO BONDS SOLD IN UNITED STATES.

In addition to Toronto's \$5,000,000 issue, covering various improvement works, which was marketed in London, a second block was sold in the United States and includes securities valued at \$4,250,000. They were on account of the hydro-electric system and comprise the first issue to be sold in connection with that undertaking. These were acquired by Messrs. N. W. Harris and Company, of Boston and Montreal.

This large bond house acquired and disposed of a block of \$1,040,000 of Toronto's civic bonds earlier in the year.

Among other cities who have disposed of bonds in the United States this year are Vancouver, Hamilton, Edmonton, and Halifax, so that it would seem Canadian municipal securities are becoming more popular in the United States market.