

CITY OF BRANDON BONDS.

A meeting of the holders of the City of Brandon Bonds was held at the request of the Mayor and Aldermen of the said City, in the London and Lancashire Life Building, Montreal, February 16th, 1900.

The following were present:—Messrs. Durnford, Macaulay, Tasker, Wagenast, Hanson, Stikeman, Brown, Mayor McDiarmid, Alderman Nation, Mr. Campbell, Secretary of the Board of Trade, Brandon, and Mr. Mitchell (of Brandon).

Mr. Durnford was asked to occupy the chair. Mayor McDiarmid addressed the meeting at considerable length, giving a brief history of Brandon, its growth and financial position, and claimed that they had not realized, in the way of development, what was expected at the time the bonds were sold, and in consequence were unable to meet their liabilities. The buyers as well as the sellers had banked upon the future, and both were the sufferers. The Council had levied a tax upon the assessed value for the year 1899, sufficient only to pay interest upon the bonded debt for the year 1898, and for the maintenance of the Town for the ensuing year; That they were helpless to carry on the affairs of the City even under this arrangement, owing to the suits which had been brought, and judgments obtained, by the bondholders for the payment of interest due in 1899; And that they must have some relief which was the object of their visit to Montreal, and their interview with the bondholders.

Alderman Nation and Mr. Campbell were also heard. They emphasized the views the Mayor had presented, and dealt with the report of Mr. Halse, shewing that, in many respects, he was in error, particularly in his impracticable suggestion to curtail the expenses in connection with schools, water-works, salary of City Clerk, and in the cancellation of the grants of \$500 each to the hospitals and the Agricultural Association; They claimed it was necessary to consolidate their debt, and proposed that the bondholders should consent to this, and the re-issue of bonds at current rates of interest (presumably 3 1/2 or 4 per cent.) which should be accepted in exchange at par for existing bonds and the overdue interest.

The bond-holders pointed out to the deputation that the bonds of the municipality had been purchased upon the position of Brandon at the time they were offered for sale, and not upon what the city might develop into. In other words: That the future of Brandon had not been in any sense discounted; That, after the most careful enquiries from disinterested parties through banks and other financial institutions, and thorough investigation by experts, they were confirmed in the opinion that Brandon had improved since the issue of the bonds. That the money obtained under the debentures had been expended in the centre of the city, and a good asset created; That the lands forming the suburbs that had been acquired by the city for unpaid taxes were shewn to be an asset; That

the city was never more prosperous than at present; That they had practically no vacant stores or dwelling houses; And that, if the bonds could be called in immediately, owing to default in interest, similar to procedure in "Foreclosure of Mortgage," that no money would be lost by the bond-holders.

It was also pointed out that the affairs of the municipality had been very badly administered, particularly in connection with the water-works, and that the representations made when selling the debentures had not been lived up to; the yearly expenditure exceeded the revenue, in this department, by no less a sum than \$4,000; That the sinking fund had been illegally disposed of, and in other ways the Council had forfeited any claim to the confidence of the bond-holders, especially so in their repudiating schemes; That the bond-holders had given their consideration to the condition of affairs and refused at the outset of the difficulty to entertain relief that would cause any loss of principal or interest; and it must be distinctly understood that this position would be strenuously maintained.

The representatives of Brandon, resuming, suggested that they would recommend to the Council, upon their return west, payment of all overdue interest and costs incurred thus far; and that new bonds called "Deferred Interest Bonds" should be issued for such proportion (on a declining scale) of the interest, as it might be found they were unable to pay in cash; And that application should be made to the legislature for the consolidation of the debt, new bonds issued therefor, and an extension of time given for the payment of the debentures with the interest; The new bonds to be a just equivalent for the existing ones; They requested in this connection that the bond-holders stay proceedings for three weeks or a month to enable the Council to formulate the proposition and forward through the bond-holders' solicitors in Winnipeg.

It was, therefore, agreed by the bond-holders present that they would communicate with the solicitors in the matter, intimating their compliance with the request, so far as it may be possible to do so without prejudice.

INSURANCE ON FREDERICTON, N.B. SOLDIERS.

The insurance on the members of the South African contingent hailing from Fredericton, N.B., was placed in the London and Lancashire Life. The premium amounted to \$811.40.

OTTAWA FIRE INSURANCE COMPANY.

The above company has received a license from the Superintendent of Insurance to transact business throughout the Dominion. The head-office will be located in Ottawa, and Mr. A. B. Powell is gazetted as the chief agent of the company.