

BONDS and MUNICIPAL CREDIT

OUR BOND ISSUES ABROAD.

Canada's Dependence on British and Foreign Capital—Maintenance of Confidence is Imperative.

Canadian companies operating in foreign countries made issues to the amount of \$23,250,000, of which Canada took \$5,000,000, and Great Britain and the Continent \$18,250,000. These issues were by companies operating railways, tramways and hydraulic power services in Mexico.

A year ago in reviewing the bond business of the Dominion Mr. E. R. Wood, an authority on this subject, referred to our dependence on British investors for the capital necessary in railway construction, government and municipal undertakings, and the general development of our resources. That dependence, he said the other day, must continue during the measurable future, and the record of bond sales shows that this country's needs are being served in the world's monetary capital.

British Took Seventy-Four Per Cent.

Of the total bond issues of \$265,158,252, the British market took \$194,356,788, or over 74 per cent. Although this was in volume a marked increase on \$165,455,081 purchased during 1908, the proportion of the total in that year was 84½ per cent. The Dominion absorbed \$60,433,963, or 22½ per cent., as compared with \$24,585,140, or 12½ per cent. in 1908. Although the Canadian purchases are still a relatively small proportion of the total issues, they distinctly indicate a rapidly increasing surplus for permanent investment. In this connection it is important to note that in Canada there is growing up a large body of well-informed discriminating individual investors. This desirable condition is largely due to the educational influence exerted by such corporations as our own in prosecuting our business of marketing various classes of investment securities. The fundamentals of wise investing are becoming common knowledge, and every factor likely to affect values or safety is carefully scrutinized. A wider market is thus being created for the first mortgage obligations of successful Canadian enterprises. The United States absorbed \$10,367,500, or 3.90 per cent., as against \$6,316,250, or 3¼ per cent. for the previous year.

Base of the Confidence.

The lesson of the situation cannot be too often repeated nor too strongly urged. These phenomenally large investments have been made in enterprises that promise certain returns.

They have built railroads, carried out extensive Government and municipal works, installed public services, developed industries and helped to open up territory that has an assured successful future. The confidence of the British investor is based on the natural wealth of the country, the permanence and certain prospects of the enterprises developed, and the energy and integrity of the Canadian people. This confidence must be maintained by strict commercial integrity. Even on the low ground of personal gain we must scrupulously keep faith with every investor. Our securities must maintain, above the shadow of suspicion, the good reputation they now hold in the British market. On this, our development and success are absolutely dependent.

Every bond or other security offered the British investor must be offered in good faith, adds Mr. Wood. This duty rests on the business community of the Dominion, on every bond dealer, broker and financier, on every municipal council, and especially on the Dominion Parliament and Provincial Legislatures.

Honesty and Fairness.

Every British investor in Canadian enterprises must be treated fairly and honestly. The reciting of these simple and rudimentary commercial maxims may seem unnecessary, but the greatness of our opportunities, our complete dependence on foreign investors, and the disastrous possibilities of a loss of confidence justify every repetition. There is but one way in which we can retain confidence, and that is by being worthy of it. The investor who puts his money in a Canadian enterprise must feel assured that he will enjoy the fruits of every success, and that if any reverse should come it cannot be attributed to dishonest intentions. The need of maintaining our commercial integrity above suspicion must be held constantly in mind in the multitude of enterprises that make up what we fittingly call an era of expansion.

BOND NOTES

Messrs. G. A. Stimson & Company, Toronto, have acquired a part of the \$313,600, 4½ per cent. bond issue sold to a syndicate last July by the City of Regina, Sask.

It is expected that the Quebec and Saguenay Railway Company will shortly place an issue of bonds on the London and Paris markets. The issue will be made necessary by the determination of the directors to proceed with the construction of their lines at the earliest possible moment. The shareholders of the company authorized the issue of the necessary bonds, at the meeting held at Quebec, recently, at which also was appointed the board of directors, consisting of Mr. Rodolphe Forget, president; Hon. Senator Casgrain, vice-president; Messrs. W. G. Ross, Hon. C. E. Dubord, Neuville Belleau, Hon. E. B. Garneau and J. N. Greenshields, K.C.

The assessed valuation of the city of London, Ont., for taxation in 1910 amounts to \$26,503,716, while the exemptions not included in this amount are \$4,114,180. All real property is assessed for about 70 per cent. of market value. The net debenture debt of the city is \$2,339,123, this being the actual amount due after deducting waterworks and sinking fund debentures from the gross debenture debt of \$3,447,611. The municipal assets at end of 1908 totalled \$3,781,981 and the liabilities \$2,960,115, thus leaving a balance of assets over liabilities amounting to \$821,866. It is expected to show a surplus of over \$5,000 on the 1909 statement of receipts and expenditure. The limit of borrowing power of the city is 14 per cent. of \$26,503,716, this being equal to \$3,710,520.

DEBENTURES AWARDED

Alberta S.D.—\$4,500, 5½ per cent., 10-year school debentures, to Messrs. H. O'Hara & Company, Toronto.

Peterborough, Ont.—\$28,000 4¼ per cent. 20-year bridge and street debentures to Brouse, Mitchell & Company.

Stirling, Ont.—\$10,000, 5 per cent., 20 instalment, electric light debentures, to Messrs. H. C. Burgess & Co., Toronto.

Mount Olive S.D., Sask.—\$1,500, 5 per cent., 10 instalment, school debentures, to the Ontario Securities Corporation, Toronto.

Port Dover, Ont.—\$11,000, 5 per cent., 15 instalment loan to thread mill debentures, to Messrs. H. C. Burgess & Co., Toronto.

Highland Valley S.D., Sask.—\$1,500, 5½ per cent., 10 instalment school debentures, to the Ontario Securities Corporation, Toronto.

DEBENTURES OFFERING.

London, Ont.—Until February 4th for \$79,000 4½ per cent. 10-year local improvement debentures. J. S. Bell, city treasurer. (Official advertisement appears on another page).

Prince Albert, Sask.—Until February 14th for \$37,200 10-year, \$10,000 20-year, \$33,600 30-year, \$7,600 30-year, interest 4½ per cent.; and \$2,500 20-year 5½ per cent. debentures. C. O. Davidson, treasurer. (Official advertisement appears on another page.)

North Vancouver, B.C.—Until February 28th for \$130,000 5 per cent. 50-year waterworks, sewer, school, road machinery, parks and fire equipment debentures. T. Shepherd, city clerk. (Official advertisement appears on another page.)

Port Arthur, Ont.—Until February 12th for \$3,500 20-year telephone, \$1,284 30-year street railway, \$18,925 20-year site for civic purposes, \$8,615 20-year fair site, \$8,764 30-year sewer debentures, all bearing 4½ per cent. interest; \$2,500 20-year publicity, \$14,000 20-year road and bridge, \$3,500 20-year city storehouse, \$33,300 20-year street and bridge debentures, all bearing 5 per cent. interest; and \$70,700 15-year telephone, street railway and power debentures. J. McTeigue, city clerk. (Official advertisement appears on another page.)

CONSULTING ENGINEERS

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GAGNE & JENNINGS,
Lawlor Building, Toronto

CONSULTING ENGINEERS

EDWARD B. MERRILL
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