

Government and Municipal Bond Market

Two Municipalities Borrow on Seven Per Cent. Basis During Past Week—Prospects for British Columbia Domestic Loan this Fall Considered Bright—Calgary Sells Treasury Notes instead of Debentures

THE past week in the bond market was an inactive one. Two small Ontario municipal issues were disposed of at prices which indicated no change in the situation. There are a few issues coming up in the future, but these are not of any significance, and it seems at the present that September will not be a very active month. As far as known, the provinces have just about completed their financing for this year, although there will probably be a few more issues. British Columbia is anticipating floating a domestic loan this fall, the proceeds of which will be used for the economic development of the province. Hon. John Hart, the minister of finance, considers the prospects for such an issue are bright, and does not expect that the present credit stringency will adversely affect a heavy subscription, which is anticipated. It is probable that the various committees which took charge of the Victory loan campaign in the province last year will be called upon to take an active part in this new campaign.

Calgary Sells Treasury Notes

No direct tenders were received for the \$225,000 6 per cent. 30-instalment and the \$25,000 6 per cent. 15-instalment debentures of Calgary S.D., Alta., but two conditional offers were received, one being from Wood, Gundy and Co., at 87.50, and the other from Brent, Noxon and Co., at 85, both companies asking for a thirty-day option at these rates. Neither offer was accepted and the school board called a meeting for a later date to discuss the matter.

At the meeting last week, the board instructed Chairman Selwood and Trustee Sinnott to negotiate the sale of treasury notes at par on the security of the debentures for a period of not less than three years, to the full amount of the debentures. Mr. Sinnott stated that he had been practically assured of an offer, whereby the board could borrow the amount covering the debentures for a period of three years by giving the bonds as security, at a rate of interest of about 6 per cent. In this way, he pointed out, the board would be able to dispose of the bonds at any time during the three years, when the market would be in a better condition to receive the securities. In view of this and the fact that the board needs funds to pay for the new schools which are now being constructed, the decision was made as stated above.

At a further meeting of the board on September 3, at which the committee appointed to arrange the sale of the treasury notes reported the result of their negotiations, arrangements were completed for the sale. The committee reported to the board that they had interviewed the representative of W. Ross Alger and Co., of Edmonton and Calgary, and Morris Brothers, Inc., of Portland, Ore., and found that their offer for notes of the board to be at the rate of par if repayable in two years, \$98.75 on the \$100 if repayable in two and a-half years, and \$97.50 on the \$100 if repayable in three years. The committee were of the opinion that two and a half year notes were the best, and, accordingly, the following recommendation was made to the board:—

"That the board of trustees of the Calgary School District No. 19 issue treasury notes payable as to principal and interest at the office of any branch of the Imperial Bank of Canada, in the cities of Calgary, Montreal, or Toronto, Canada, or at the office of the Bank of Manhattan Co., in the city of New York, U.S.A., bearing interest at the rate of 6 per cent. per annum, payable semi-annually, said notes to mature on March 15, 1923, and that the debentures of \$250,000 bearing interest at 6 per cent. issued under by-laws No. 1 and 2, 1920, be lodged with the Imperial Bank of Canada, at Calgary or Toronto, as the purchasers may desire, to be

held by the said bank as security for the due payment of this note."

The recommendation of the committee, as stated above, was adopted by the board.

Coming Offerings

The following is a list of debentures offered for sale, particulars of which are given in this or previous issues of *The Monetary Times*:—

Borrower.	Amount.	Rate %.	Maturity.	Tenders close.
Etobicoke Tp., Ont.	\$ 17,361	6½	5-instal.	Sept. 11
Essex Border Utilities, Ont.	\$ 117,615	6	28-instal.	Sept. 13
St. James S.D., Man.	180,000	6	20-years	Sept. 15
Bexley Tp., Ont. ...	7,000	7	Oct. 1
Glenwood, Man. ...	25,000	5½	30-instal.	Oct. 4

Etobicoke Tp., Ont.—Tenders are being received until September 11, 1920, for the purchase of \$17,361 6½ per cent. 5-instalment debentures.

Bexley Tp., Ont.—Tenders will be received until October 1, 1920, for the purchase of \$7,000 7 per cent. school debentures. Alfred Taylor, Victoria Road, Ont.

Glenwood, Man.—Tenders will be received until October 4, 1920, for the purchase of \$25,000 5½ per cent. 30-instalment good roads debentures. Securities to be dated December 31, 1919, and are payable at the Union Bank, Souris, Man. J. W. Breakey, Souris.

Essex Border Utilities, Ont.—Tenders will be received until September 13, 1920, for the purchase of \$117,615 6 per cent. 28-instalment debentures. Bids were asked in June last for an issue practically the same, but those received were turned down. The act validating the issue has been changed slightly, as was intimated at the time bids were rejected, so that now the debentures are a direct charge against all the municipalities in the section, instead of against only some of them.

Debenture Notes

Almonte, Ont.—The town is considering the installation of a waterworks system at the cost of \$263,695.

Bienville, Que.—Ratepayers have passed a by-law authorizing the borrowing of \$25,000 for public works.

Windsor, Ont.—Ratepayers have approved of the issuing of \$150,000 debentures for waterworks improvements.

Ayton, Ont.—Ratepayers have endorsed a by-law authorizing the issue of \$11,000 debentures for hydro purposes.

Halifax, N.S.—An order-in-council has been received by the council from the provincial secretary's department, directing the issue of stock or debentures to provide \$25,000 for school purposes. The council has instructed the finance committee to provide the money.

Lethbridge, Alta.—Major Muckleston, chief engineer of the Lethbridge Northern Irrigation District, after an interview with the provincial government, reports that financial arrangements have been made so the district can carry on. The bond election will take place at the end of this month, it is expected.

Saskatchewan.—The following is a list of authorizations granted by the Local Government Board from August 13 to 18, 1920:—

Schools.—8 per cent. 10-years annuity: Banger, \$4,000; Hill Hall, \$4,000; Nicklet, \$3,500; Crocus, \$5,600, 8 per cent. 20-years annuity: Alameda South, \$5,500; Lampman, \$15,000.