

MUNICIPAL BOND MARKET

Quebec Has Placed Temporary Loan—Regina Wants a Million Dollar Loan

Several months ago, when municipalities were advised that lower prices for their securities would have to be accepted, they refused to take good counsel. Now the overseas market cannot absorb further issues at any price, and our civic authorities have been compelled to make temporary arrangements. Both Toronto and Montreal some time back received excellent offers for their debentures, but, thinking they could do better, and, contrary to expert advice, delayed matters until they were forced to make short term loans. Toronto has floated £1,200,000 one-year treasury notes on a $4\frac{1}{2}$ per cent. basis, and Montreal £750,000 for six months at the same rate. Toronto was offered as high as 95 for its issue early this year, and in February Montreal's board of control submitted an offer of 97.15, which was refused by the city council. Certain aldermen appear to have a prejudice against the best advice. They are learning now how sound was the counsel which they received and rejected. On the other hand, the city of Winnipeg early in the season accepted the advice of its fiscal agents and placed its bonds at 98.

Respecting the recent flotation of £500,000 $4\frac{1}{2}$ per cent. debentures, by the city of Calgary, the London Economist says:—"Calgary's existing $4\frac{1}{2}$ per cent. debentures stand at 102, and the present issue is a good security. The debt of these Canadian cities, however, is growing rather rapidly. It is a pity that an average date of maturity for the whole loan cannot be substituted in these cases, so that the issue may be more marketable. This particular example, though quite good in itself, has not appealed to the public, only 15 per cent. of the issue having been applied for."

The proceeds of the Calgary loan was required for electric railway and various public works. Repayment of the loan on maturity is provided for by sinking fund, and the debentures mature £319,600 on January 1st, 1932, and £180,400 on July 1st, 1942.

Toronto Mayor's View.

Mayor Geary states in London with regard to the Toronto loan which he went over to place, that "after obtaining all information and carefully considering same in the light of advice given it was decided not to be in the best interests of the city to accept any of the suggestions made as to price for an issue. The market is glutted with Canadian securities and is in addition in a very bad condition as evidenced for example by the low price of Consols. It is generally hoped that matters will improve within a year and therefore we obtained a temporary loan and have been successful in securing six millions for one year at four and a half per cent. discount. This arrangement is a very advantageous one, especially in view of the high rates paid for other similar issues."

The one year bills of the city of Toronto, which were placed in the London market on a basis to yield $4\frac{1}{2}$ per cent., totalled £1,200,000.

Proposes to Annul By-Law.

Alderman McManamy has had notice served on the city of Sherbrooke, Que., to the effect that he is instituting proceedings to annul the by-law recently passed for the borrowing of \$615,000. He claims, among other things, that in borrowing this amount the city was exceeding its borrowing power.

It was resolved that the Portage la Prairie council raise a \$30,000 loan from the Merchants Bank to meet current expenses.

Regina Seeks Large Loan.

After an investigation of Regina's condition following the cyclone, Mr. J. Bruce Walker has recommended that the Dominion Government make a loan to the city of \$1,000,000 to be repaid in a number of years and bearing a low rate of interest, say 4 per cent. The matter is under the consideration of Hon. W. T. White, Minister of Finance.

The assessment of Canora, Sask., for 1912 is over \$925,000 which is double that of 1911. Its total debenture debt is \$43,000. The by-laws for the issuance of \$24,000 debentures for electric lighting purposes are under the Municipal Public Works Act and do not affect the 10 per cent. borrowing power of the town under the act.

The mayor of Prince Rupert recently wrote to the local manager of the Bank of Montreal regarding the offer made the city for the purchase of the treasury scrip remaining at

98. Mayor Newton desired the advice of the bank manager on the subj. This was given in a letter read in council to the effect that it would be inadvisable for the city to sell on its own responsibility bonds in the London market at present, as it would hurt the city's credit.

Notes of Municipal Bidding.

Seven bids were made for the Big Quill Rural Municipality, Sask., \$10,000 5 per cent. 20-year roads and bridges debentures. The offer of Messrs. W. L. McKinnon and Company, Toronto, was accepted. The other bids were from Toronto, Winnipeg and Regina bond houses.

For the Duval, Sask., \$3,000 6 per cent. 15-year debentures, three offers were received, and that of W. L. McKinnon and Company, Toronto, was accepted.

The city of Quebec on June 21st, placed a temporary loan at $3\frac{3}{4}$ per cent., adding commission and stamp dues, the total discount was 4.05 per cent.

IMPORTANT BUILDING EXHIBITION.

An interesting exhibition will be held at Leipzig during the summer of 1913, to be known as "A Building Exhibition." As that year is the hundredth anniversary of an event of great interest to Germany, and as the Emperor will unveil a magnificent monument during the fair, it is certain that there will be a great attendance, reports Mr. J. T. Lethgow, acting trade commissioner at Berlin.

The exhibition will be divided into eight sections:—

Section I.—Architecture: 8 groups with 33 subsections. Section II.—The literature of architecture and building, technical educational institutions, office requisites for architects and engineers: 3 groups. Section III.—Building materials, their manufacture or preparation and use: 20 groups with 24 subsections.

Section IV.—Machines, tools and apparatus used in building: 5 groups and 2 subsections. Section V.—Sale and purchase of building land, building finance, estate agencies, insurances in connection with dwelling houses: book-keeping for builders and architects: 5 groups. Section VI.—Building sanitation for dwellings, factories and streets, protection of workers from injury, first aid and other provisions for their health and comfort; precautions against fire, old age and invalid insurance: 6 groups.

Section VII.—Gymnastics, games and sports. Section VIII.—Testing of building materials, technical demonstrations. Under section 3, group 2, wood—its preparation and use in timber construction—should be of special interest to Canadians. From section 4, sanitation for dwellings, factories and streets, protection of workers during work, and other provisions for their comfort and welfare, and particularly precautions against fire, might be studied with great advantage.

Applications for space should be addressed to Hofrat Horst Weber, Leipzig, who will forward prospectuses and give any desired information.

GREAT BRITAIN SHOULD PREPARE FOR CANAL

That Great Britain held the commanding position in the trade of the Latin-American nations, was a statement made by the Hon. John Barrett, Director-General of the Pan-American Union, at a recent lecture to the London Chamber of Commerce. Mr. Barrett, it will be recalled, contributed an interesting article to The Monetary Times respecting the relation of Canada to the Panama Canal. While Great Britain held the supreme position, Germany and the United States were forging rapidly ahead, he continued. The Panama Canal would prove of great advantage to British trade if British commercial houses would only rise to a realization of their opportunities. British exporters and importers, as well as the British government, must be prepared to use at once the same methods which the German, French, Japanese and Spanish nations were using to-day. Those and other countries were exploring the vast region which would be shortly opened to the trade of the world.

At present, only Great Britain seemed to be neglecting the opportunity of sending agents to get ready for the Panama Canal. "I am," he added, "one of those who believe that the Panama Canal will prove one of the most important changes in the commercial map of the world, and that the greatest benefit will not go to the United States but to the west coast of those twelve countries now conducting an annual foreign trade of £100,000,000. When the canal is completed that trade should rapidly increase in a few years to five times its present volume." Great Britain would have to get ready for the canal; if it did not it would be disappointed by not getting those practical results which might be expected. As to the toll question, Mr. Barrett said even if discrimination were made in favor of vessels of the United States, the benefits which British commerce and shipping would enjoy would make that question ultimately a secondary issue.