## NEW WESTMINSTER'S FINANCES HEALTHY

### Statement for Past Year is Published—City Owns Its Waterfront

The city of New Westminster has issued a satisfactory financial statement for 1912. In examining the figures, one recalls that what is therein termed "Capital Adjusting Assets," is the cash on hand from the sale of bonds, and the incomplete expenditures on capital account, all of which, when the works are completed, will adjust themselves into completed works, and then re-appear as assets or otherwise, according to the nature of the works.

On the other side of the account some of the same amounts appearing as "Capital Adjusting Liabilities" are, in the meantime, to maintain a proper balance and prevent the city's nominal surplus from appearing excessively large. In other words, these adjusting assets and liabilities show exactly the trend and position of unfinished expenditures.

**Provision for Sinking Funds.**

In the matter of sinking funds, an amount is deposited in the savings department of the Bank of Montreal, annually, sufficient to retire the city's debentures at maturity, an extended date of maturity being set in the case of bonds issued prior to the fire of 1898, as per special act of Parliament, separate savings accounts, which were opened in 1910, being kept for these.

The city's regular assets are particularly strong. These are inventoried at a low valuation, land values in a number of cases being entered as low as one-third or one-half the actual value.

Of the city's public utilities, the electric light system, for instance, is down as valued at $313,580. This branch is producing a net profit of about 6 per cent. on $1,000,000 after paying for operating expenses, interest and sinking fund. The gross earnings for 1912 exceeded $122,000. This year the receipts are about 15 per cent. ahead of 1912.

In the case of the city's water system, an additional 25 inch steel main has recently been completed, new reservoirs built and improved, and large amounts have been expended on the source of supply intakes and dams, placing the city's water system in value largely in excess of the figure as inventoried.

**Owns Its Waterfront.**

The city owns the land of its water frontage on the river where the conditions are excellent, with deep water dockage. These are of permanent and increasing value.

With the backing of the fertile Fraser Valley, and this magnificent river at its door, the city occupies a position of rare strength and stability. The population, according to the census just completed, has increased about 45 per cent. during the last three years. The taxation is on land only. Improvements are taxable, but not taxed.

## DEBENTURES AWARDED

**Windsor, Ont.**—$60,000 5 per cent., to Messrs. Brent, Noxon and Company, Toronto.

**Miami S.D., Man.**—$16,000 20 instalments, to Messrs. H. O'Hara and Company, Winnipeg.

**Darlingford S.D., Man.**—$5,000 20 instalments, to Messrs. H. O'Hara and Company, Winnipeg.

**North Qu'Appelle R.M., Sask.**—$10,000 6 per cent., 10 years, to Messrs. H. O'Hara and Company, Winnipeg.

**Broadview S.D., Sask.**—$12,000 6 per cent. 20 instalments, to Messrs. H. O'Hara and Company, Winnipeg.

The Pacific Great Eastern Railway Company has placed an order with Messrs. Evans, Coleman and Evans, of Vancouver, for 15,000 tons of open hearth steel rails for delivery at Newport, beginning in October next and ending in June, 1914. This quantity will be sufficient to lay the track for 140 miles. The railway company is also negotiating with various manufacturing companies for rolling stock and other equipment aggregating over $400,000.

## DOMINION CANNERS SELL BONDS

### Million Dollars Placed in London—Underwriting System Criticized

Mr. Garnet P. Grant, president of the Dominion Bond Company, has placed in London, according to cable message received this week, the entire issue of $1,000,000 6 per cent. first mortgage bonds issued by Dominion Canners in connection with improvements and additions to plants, costing about $1,500,000, which were purchased by the Dominion Bond Company, Limited.

Dominion Canners profits last year were over half a million dollars, which sum is more than four times the amount required for interest on the bonds outstanding, including the present issue of one million dollars.

**Public and Underwriters.**

The underwriting system is coming in for criticism. The public subscribes scarcely a penny to any of the new issues on their first appearance, says the New York Annalist. It keeps its money in its pocket; the issuing house has to announce (as Rothschilds had, in the case of the Brazilian loan) that underwriters will take up 94 per cent.; the price of the loan falls, say, to 1½ discount, and then the public comes and buys in the open market. It has learned, in fact, how to get a share in underwriters' profits. The circumstance forcibly suggests that the whole business of underwriting has been overdone. The commissions allowed are too high; hence the prompt fall in price after subscription. Loans are underwritten that would do better without; small loans just now have a better chance of attracting the well-instructed investor, if he knows that there will not be a number of underwriters in the market as soon as the subscription lists are closed, eager to sell stock with which they have been "landed." Underwriting is spread too wide.

**Municipal Forces.**

The Nelson, B.C., city council has adopted the report of the finance committee recommending that the city guarantee interest and principal of a bond issue of $40,000 to finance the street railway company under conditions which have been agreed upon by the directors of the company.

After considerable discussion as to the denomination of Toronto city bonds the board of control referred the matter to the treasury board for adjustment. Controller Foster favored the selling of bonds of the $100 denomination as an attractive investment for the man whose savings were limited. Mayor Hocken believed that $500 should be the minimum and that considerable trouble would be encountered were the city to place the face value of the bonds as low as $100.

## WANT MORE RAILROADS

Discussing government assistance to the Canadian Northern Railway, the Canadian Manufacturers' Association says:—

"The government should give financial assistance to the Canadian Northern Railway only on condition that it will be used to provide better service for the country. If this assurance is given, a great enterprise like the Canadian Northern Railway should not be crippled for lack of funds.

"For the past sixteen years the Canadian Northern has built railroads at the rate of a mile a day, with capital secured largely through the untiring energy of Sir William Mackenzie. At the end of 1912 their total mileage was about 7,000. During that year their gross earnings were $20,860,093, an increase of 27.5 per cent. over 1911. They have let every contract on their transcontinental line between Quebec and Port Mann. These great efforts are made, of course, in the interests of the directors and shareholders, but the quality and quantity of the service they sell are vital matters to shippers and receivers of freight.

"We need more railways, more engines, more cars, more of everything that is included in the operation of a railroad. If the Canadian Northern Railway wants money to buy these things, the government will benefit the country by giving it to them. but there should be a clear agreement concerning expenditure and service."

## STOCKS AND BONDS TABLE—NOTES

(u) Unlisted.

† Canadian Consolidated Rubber Bond Denominations, $100, $500 and $1,000. Steel Company of Canada, $100, $500, $1,000. Sherwin Williams, $100, $500 and $1,000. Penmans, Ltd., $100, $500 and $1,000. Canadian Cottons, $100, $500 and $1,000.

‡ Quarterly.

All companies named in the tables will favor The Monetary Times by sending copies of all circulars issued to their shareholders, and by notifying us of any errors in the tables.

** Trethewey pays no regular dividend. They have paid:—1906, 4%; 1907, 4%; 1908, 15%; 1909, 25% 1910, 10%; 1911, 20%; 1912, 10%.

**Montreal prices (close Thursday) furnished by Burnett & Co., 12 St. Sacrament Street, Montreal**

Figures in brackets indicate in footnotes date on which books close for dividends, etc.

(1) June 16-31 (2) June 6-16 (4) May 17-31 (5) May 17-31 (6) May 17-June 2 (7) May 24-31