

MONTREAL'S FUNDED DEBT

City Treasurer's Official Statement—Borrowing Powers
—Value of Real Estate

Monetary Times Office,

Montreal, July 30th.

Much has been said of Montreal's heavy indebtedness and of the difficulty the city is experiencing in putting through further loans. City Treasurer Arnoldi, being asked for an official statement concerning the matter, submitted the figures which appear below:

"The city of Montreal has at the present time a funded debt of \$62,000,000 and other projected loans, as follows:—

Aqueduct debentures	\$ 2,320,000
For general purposes	11,904,000
Present funded debt	62,000,000

Total funded debt Dec. 31, 1913 \$76,224,000

"The \$11,904,000 referred to above, as a loan for general purposes, will be expended as follows:—

To retire 6-months notes for £250,000 due November, 1913	\$1,250,000
To retire 6-months notes for £750,000 due February, 1914	3,650,000
For permanent improvements, roads, sewers, etc.	7,000,000

"The notes for \$4,900,000, referred to above, are the only short-term, city of Montreal notes outstanding.

Twelve Per Cent. of Increase.

"The city has the power of borrowing each year on an amount equal to 12 per cent. of the increase in the value of assessable property. The city this year shows an increase in the value of assessable property of nearly \$100,000,000 over last year. The city, therefore, has the power to borrow 12 per cent. of this amount—or, to be more accurate, \$11,904,000. The city formerly had the power to borrow 15 per cent. of the increased assessment, but this was changed at the city's request, two years ago, to 12 per cent.

"The city will pay \$2,750,000 interest charges this year on the amount already borrowed, namely \$62,000,000 and on temporary borrowing. This sum will probably be increased to \$3,500,000 when the projected loans are floated.

Yearly Revenue Returns.

"While the interest payments are increasing, the revenue is also showing a yearly increase. Last year the revenue was \$9,000,000. This year it will be \$10,000,000. None of the loans which go to make up the total of \$62,000,000 will fall due for some years, as they are all long-term debentures.

"In the amount of the total debt is comprised \$3,000,000 for local improvements, repayable by proprietors.

"The real estate owned by the city, itself, is valued as follows:—

Aqueduct, giving an annual rental of ..	\$ 1,200,000
Public Parks	14,000,000
City hall, fire and police stations	26,000,000
Hospital and public markets	6,500,000

Total

DEBENTURES AWARDED

Vancouver, B.C.—\$1,700 4½ per cent. 10-years, to local investors.

South Springfield S.D., Man.—\$35,000 5½ per cent., to Messrs. Moore and Sutherland, Winnipeg.

Watrous, Sask.—\$70,000 6 per cent., to Messrs. Terry, Briggs and Slayton, Toledo, Ohio.

Edmonton, Alta.—\$3,500 4½ per cent. 40-years, to Messrs. G. A. Stimson and Company, Toronto.

Saskatchewan.—Carrot River, \$1,000; Gwyfe, \$1,800, to Messrs. G. A. Stimson and Company, Toronto.

Vancouver, B.C.—\$111,500 4½ per cent. 20-years, to Messrs. G. A. Stimson and Company, Toronto.

Alberta.—Donahoo, \$500; Cobourg, \$600; Golden Heights, \$1,500; Akenstad, \$1,300; Elmer, \$1,200; Farming Valley, \$1,500; Lavada, \$1,300; Mavpole, \$1,200; Hill, \$800; North Park, \$1,200; Peyton, \$1,200, to Messrs. G. A. Stimson and Company, Toronto.

A branch of the Canadian Bank of Commerce has been opened at Oshawa, Ont., under the management of Mr. H. H. Hyland, formerly manager at Mansville, Que.

MUNICIPAL FINANCING

Undesirable Practice Affects Bond Sale—New Westminster Bonds to be Hypothecated—No Tenders for Two Issues

An interesting corollary to the article which appeared in a recent issue of *The Monetary Times*, calling attention to the undesirability of municipalities paying commercial firms with debentures, is furnished by San Francisco's problem.

The city having tied its finances into a temporary knot as a result of having paid off its contractors with city bonds at prices that enabled the contractors to undersell the main issue of \$5,104,000. The contractors' sales so clogged the market for San Francisco securities that the bankers, Messrs. N. W. Halsley and Company and E. H. Rollins and Sons, of New York, refused to exercise the option they held on the remaining \$2,904,000 bonds of the main issue.

San Francisco, therefore, has nearly \$3,000,000 of new 5 per cent. city hall bonds left on its hands that it cannot dispose of through the bankers until the effect of the contractors' prices cutting sales is overcome. In addition, the city has \$1,144,000 bonds of other issues on its hands.

Messrs. N. W. Halsley and Company and E. H. Rollins and Sons, agreed to take the \$5,104,000 bonds at par at the rate of \$1,100,000 in monthly instalments. They had taken \$2,200,000, when they refused to take the July instalment.

Lethbridge Took no Action.

Lethbridge, Alta., council at its recent meeting again took up the consideration of the capital expenditure estimates for 1913. A representative of Messrs. Stimson and Company, Toronto, bond brokers, intimated to the council that no bond house would care to buy bonds now unless they would yield 6½ per cent. This would mean selling 5 per cent. bonds at 80.41, which is nine points lower than the last sale, no action was taken after this intimation.

Vancouver, B.C., sold seventeen \$100 4½ per cent. 10-year debentures at its first days sale "over the counter."

Calgary school board debenture sale has not yet been completed.

Hypothecating Bonds.

Mayor Gray, of New Westminster, stated recently that the bank had been supplying the city with money, though the bonds had not yet been hypothecated. The hypothecation was attendant on the consolidation of all the money by-laws and as these had been consolidated, a resolution was passed through the council hypothecating them to the extent of \$200,000.

Messrs. Moore and Sutherland, Winnipeg, are handling an issue of \$35,000 5½ per cent. South Springfield S.D., Man., debentures.

No satisfactory bid was received for Merritt's, B.C., issue of \$80,000 6 per cent. debentures.

Kentville, N.S., did not receive any bids for its issue of debentures.

UNITED STATES FIRMS BUY CANADIAN BONDS

Halifax, N.S., has disposed of an issue of \$299,000 debentures to Messrs. N. W. Harris and Company, Boston, and Messrs. J. C. Mackintosh and Company's, Halifax, tender for an issue of \$90,000.

A Toledo bond house, Messrs. Terry, Briggs and Slayton, have acquired \$70,000 6 per cent. Watrous, Sask., debentures.

ACADIA FIRE INSURANCE COMPANY'S WESTERN OFFICE

The Acadia Fire Insurance Company has removed from the Keewayden Building, Winnipeg, to new offices at 1004 Lindsay Building, Notre Dame Avenue.

Mr. L. S. Baker, branch manager, at Winnipeg, is a Westerner, and an experienced insurance man, having previously been Western Inspector for one of the largest and oldest insurance companies, and is therefore, conversant with the conditions of this territory.

"Glimpses in our Factory," is the designation given to an attractive booklet, illustrative of the activities and progress of one of Canada's up-to-date manufacturers, Messrs. Barber, Ellis, Limited, Toronto, who specialize in envelopes and paper.