

## MUNICIPAL BOND MARKET

## The Monetary Times' Weekly Register of Municipal Activities and Financing

The three bills of Hon. Walter Mitchell, provincial treasurer of Quebec province, providing for the creation of a department of municipal affairs were given second reading in the legislature last week. The minister of the new department who will be named later, will have supervision over the administration of the laws concerning the municipalities of the province. To this department will be entrusted the complete control of municipal finances, the issuing of loans, the provisions for sinking funds, as well as the methods of book-keeping to be employed. According to the new law municipalities must deposit with the provincial treasurer moneys to meet municipal and school corporation bonds when these fall due. In order to defray the expenses of the new department a system of fees is provided, payable by municipalities which make and withdraw the deposits with the provincial treasurer. The government will pay interest of  $3\frac{1}{2}$  per cent., and will be able to make a good margin by re-investing the money.

**Oakville, Ont.**—Messrs. A. E. Ames & Company have purchased \$43,564 6 per cent. 20-instalment electric light and highway debentures of the town.

**Walkerville, Ont.**—The following bids were received for the town's \$88,365 6 per cent. 9, 10 and 25-instalment bonds awarded to Messrs. A. E. Ames & Company, Toronto, as reported in *The Monetary Times* last week:—

|                                 |       |
|---------------------------------|-------|
| A. E. Ames & Company .....      | 94.40 |
| C. H. Burgess & Company .....   | 94.11 |
| Wood, Gundy & Company .....     | 93.31 |
| Canada Bond Corporation .....   | 93.24 |
| W. A. Mackenzie & Company ..... | 93.05 |
| Brent, Noxon & Company .....    | 92.76 |

**Montreal, Que.**—The Bank of Montreal is prepared to make advances to the city to the extent of \$2,000,000 in anticipation of revenue, on the following conditions.

"It is understood the said advances are to be repaid from the taxes for this year. No portion of the proceeds to be used for capital expenditure. The \$1,000,000 treasury bills now held by us overdue, to be repaid from the proceeds, and that no large cheques be issued without being first referred to the bank."

The board of control have resolved to issue treasury notes to the extent of \$1,500,000 in favor of the Bank of Montreal, and further that the attention of the Bank be drawn to the fact that all the large cheques now issued do not cover expenses and capital, but represent salaries and other current outlay.

**Ottawa, Ont.**—The city last week awarded to the Bank of Ottawa three bond issues, aggregating \$223,484, at a price to cost the city approximately  $6\frac{1}{4}$  per cent. The following were among the tenders received:—

|                                       |        |
|---------------------------------------|--------|
| Bank of Ottawa .....                  | 94.875 |
| A. E. Ames & Company .....            | 93.69  |
| Wood, Gundy & Company .....           | 93.525 |
| Canada Bond Corporation .....         | 92.69  |
| Housser, Wood & Company .....         | 92.61  |
| Dominion Securities Corporation ..... | 92.17  |
| W. A. Mackenzie & Company .....       | 92.15  |
| Morrow & Jellett .....                | 92.00  |
| Brent, Noxon & Company .....          | 91.87  |

The issues comprised \$120,984  $5\frac{1}{2}$  per cent. 20-instalment local improvement; \$100,000 5 per cent. 10-instalment Patriotic and Red Cross and \$2,500  $5\frac{1}{2}$  per cent. 10-year Y.M.C.A. grant bonds.

**Prince Rupert, B.C.**—In view of the fact that so much publicity was given the city regarding the temporary default in taking up their treasury certificates in London, brought about by the action of the Imperial treasury in 1914, it is interesting to know of the progress made by the city since that date. In a statement to *The Monetary Times*, Mr. E. D. Johnson, city treasurer and collector, points out that in 1914 the city's total bonded indebtedness was \$2,504,838, of which only \$250,070 was permanently sold; \$1,371,000 was represented by treasury certificates which were renewed for one year (conditionally that they were taken up by cash payment); \$202,237 were hypothecated to the bank for loans made; and

\$771,530 unsold. The assessed valuation for taxation was \$17,486,485, and the gross mill rate was 13.975 mills. The city borrowed from the bank, \$37,000 against current revenue. In 1915, \$70,990 of short-term debentures matured and were taken up. In 1916, a further \$25,870 matured and were paid for. The same year the whole of the debt was converted into serial bond form; two by-laws repealed, and the remaining debt permanently sold in the United States.

In 1917, the entire debt stands at \$1,624,000, a reduction since 1914 of \$970,838; besides which the city has on deposit \$78,560 earning interest to meet payment of interest and principal on serial bonds due April 1st, 1918, and \$48,210 to meet local improvement debentures due June 10th, 1918, and the whole transactions of the city for 1917 were carried on without borrowing from the bank against current revenue, or for any other purpose.

The assessed valuation for taxation for 1917 levy was \$11,596,295, a reduction of \$5,890,190 since 1914, and our tax rate 10 mills gross. Our local improvement levy in 1914 of \$146,643 was reduced in 1917 to \$81,000, making a total reduction in taxation since war was declared of 62 per cent., with arrears of taxes, \$178,000; all sinking funds completed, and no obligations outstanding.

"I therefore submit," says Mr. Johnson, "having regard for the unenviable position in which the city stood in 1914, the fact of having resources sufficient to enable it to recover in this way, in spite of war conditions, should confirm the high regard bond houses have for Canadian municipal bonds, especially when applied to the older established cities, and argues well for the possibilities of British Columbia."

## MANITOBA TELEPHONES LOSE MONEY

The report of the Manitoba government telephones for the year, which was tabled by the Hon. T. H. Johnson in the provincial legislature recently, shows a deficit of \$30,349. The revenue for the year is reported to have been \$1,847,704, while the operating expenses totalled \$1,406,940, showing the net telephone earnings as \$440,764. Against this were items of \$45,450 for salaries to men of the department in military service and \$425,663 interest charges.

## HOME INVESTMENT AND SAVINGS ASSOCIATION

Difficulty was experienced by the Home Investment and Savings Association, Winnipeg, in loaning its funds last year owing to the limited demand for good loans. That has been the experience of other companies. An examination of the Winnipeg company's balance sheet, however, shows that, despite this drawback, the results of the year's operations were satisfactory. The net profits, after making the usual deductions, were \$113,809, compared with \$115,153 a year ago. Various taxes absorbed \$5,312. Dividends were paid at the rate of 9 per cent. per annum, amounting for \$88,760. There was a balance of \$42,200 carried forward, which is twice the amount of the balance of profit and loss account at the end of 1916.

The company's total assets are \$2,304,771, of which loans on first mortgages on improved real estate represent \$1,820,445. The interest on mortgages totals \$117,575. The company has an inspection committee, whose duty it is to check the loans. Every loan entered in the records was examined by the committee, who state that the loans as a whole were found in a better condition than at the time of inspection twelve months ago. They report that a number of properties were taken over by the company during the past year, but, as there was also a large increase in the number of parcels sold, the net increase in the company's holdings was less than anticipated. Any possible losses which may be sustained in connection with these properties the committee believe have been well provided for by the contingent reserve created for that purpose. This reserve is shown in the balance sheet at \$50,000. The company holds \$213,197 real estate. Office furniture is put in the balance sheet at the nominal figure of \$1. There is cash on hand and in bank amounting to \$66,915.

Of the liabilities to the public, debentures and accrued interest represent \$234,504. There are deposits of \$376,143 at call and \$85,772 for fixed term. The company's paid-up capital stock is \$980,131, and there is a substantial reserve fund of \$500,000. Mr. M. Bull is president and Mr. W. A. Windatt is managing director. Judging by the annual statement, the company is in good financial condition, and has reason to be well satisfied with the past year's operations.