

debenture issued, and the interest, it appears, is simply allowed to accumulate. This interest cannot be used for any other purpose than the sinking fund account, and consequently the city is in the position of a man who has a big roll of bank bills in his pocket and is not allowed to spend it, even though the money would come in mighty handy to pay some of his obligations.

Would Reduce Taxes.

The city treasurer's proposal is that when the sinking fund account, by the aid of the interest it accumulates in the bank, has become sufficient to pay off a debenture when it matures, the levy for that debenture in particular should be stopped, thus saving a considerable unnecessary demand upon the taxpayers each year. He illustrates his point by showing The Journal a statement regarding one debenture, that issued under authority of By-law No. 1555, for \$30,000 for public school purposes. This debenture is not payable until 1925, but the estimate prepared by the city treasurer shows that there will be sufficient money available in 1920 to pay off the debt. Nevertheless, under the present system, the annual levy on the people will be continued each year and the money will continue to accumulate in the bank, even though it cannot be used for any specially required purpose. The city treasurer thinks an endeavor should be made to have the legislature change the law regarding the interest and sinking fund account, and he will probably discuss the problem with the Board of Control shortly.

CITY OF MONTREAL.

The city of Montreal recently sold one issue of \$3,800,000, forty-year, 5 per cent, sinking fund gold bonds. Price obtained, 97.787.

The successful tenderers were a syndicate composed of Wood, Gundy and Co., Toronto; the National City Company (Bond Department of the National City Bank), New York, and Kountze Bros. and Co., New York.

MUNICIPAL BOND SALES.

The municipal bond sales in Canada during the first ten months of the past five years, according to The Monetary Times' bond record, were as follows:

	1912.	1913.	1914.	1915.	1916.
Jan . . .	\$2,133,531	\$1,337,500	\$1,953,137	\$1,784,947	\$1,909,441
Feb. . . .	2,596,378	1,038,806	5,995,336	3,047,011	1,419,909
Mar. . . .	1,926,716	335,492	5,123,176	2,572,357	2,027,741
April . . .	927,160	3,693,857	2,847,953	8,603,094	1,979,852
May	1,928,748	880,630	6,400,755	3,464,281	2,649,000
June	1,690,344	2,435,726	4,617,857	2,395,744	3,395,583
July	1,967,476	1,591,921	2,180,753	1,618,422	1,485,225
Aug.	1,649,547	526,300	395,395	1,087,415	852,447
Sept.	1,998,605	1,663,260	535,050	2,768,484	960,435
Oct.	1,396,664	2,481,062	622,049	1,245,874	1,461,665

EUROPEAN MUNICIPALS IN NEW YORK.

The over-subscription in New York by more than ten times of the \$50,000,000 loan to the city of Paris, France, is a striking indication of the opinion of the financial fraternity of the United States as to the course and the ultimate result of the war. The loan, which was negotiated by Kuhn, Loeb and Company, New York, was for relief work and to reimburse the city of Paris for heavy expenditures in connection with the war. It is offered to the underwriters at 97. Bankers declare that the loan is one of the most popular floated in Wall Street because a large part of the proceeds will be used to aid war sufferers. The loan is being offered to the public this week. The over-subscription by the syndicate in the short time is said to be a record. The principal and interest of the bonds are payable at the option of the holder either in United States gold coin in New York or in Paris in francs at the fixed rate of 5.50 per dollar, thus giving to the holder the prospect for a substantial profit in exchange, inasmuch as the normal rate of exchange before the war was about 5.18 francs per dollar.

The government of the French Republic is to undertake to furnish, if necessary, to the city of Paris gold to the amount needed to permit the payment of the principal and interest of the loan in New York. This is the second European municipal issue to be made in the United States. The first was one in August of \$6,400,000 1 year 6 per cent discount gold notes of the Metropolitan Water Board of England. These notes were placed in a few hours.—Exchange.

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