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TWO LETTERS WHICH TELL THEIR OWN TALE.

Municipal Hall,
Edmonds, B. C.

November 29th, 1915

To the Chairman of the
Finance Committee,
Corporation of the District of Burnaby.

Mr. Chairman:—

The matter I wish to bring before your Committee is perhaps you will agree, one of grave importance, viz:—the necessity of a defined plan for dealing with the financial problem of the Municipality. In a few brief remarks I would state my appreciation of the earnest effort of your Committee to deal with questions of finance during the year 1915, but I must talk plainly and intimate that we will act wisely and well if careful consideration at this time, be given to safeguarding the future.

I speak now of the Treasury Certificate Issue of 1913, which falls due in less than one year from date. This will necessitate provision being made for raising \$1,250,000.00 to liquidate that liability. This Issue, you are aware, bears 6 per cent per annum, and is a very heavy charge annually upon the Corporation, viz:—\$75,000.00 per annum. This amount added to the Sinking Fund and interest charges for bonds previously issued and sold, together with bank interest, amounts to in round figures, \$200,000.00 per annum. This, Sir, I claim is an excessive load, and your duty to the ratepayers is to REDUCE THE BURDEN.

Careful consideration of the situation will lead you to prepare and bring down at once, plans for taking care of our liabilities and providing for a reduction of those heavy charges. Your Committee will be most willing and anxious, I am sure, to assist in putting into force A GOOD SOUND FEASIBLE PLAN FOR THE RETRIEVEMENT OF BURNABY.

I suggest that the Debentures which are unsold, but hypothecated, be cancelled because they are unsuited for the market, to-day. The interest rate is insufficient, and the long term Sinking Fund Debentures is looked upon with disfavour.

We would do well to make a new issue in lieu of these, one that will appeal to the investor, and be suitable for the changed Monetary conditions, and which can be sold without being subject to a ruinous discount. It will be necessary to arrange details with the School Board as it will affect the School By-law Issue, and should that Board wish to take advantage of the plan you suggest, all unsold Debentures could be converted.

You may find it necessary to take drastic measures to attain the desired results, but I urge the necessity of the occasion, and leave the matter in your hands.

(Signed) HUGH M. FRASER,

Reeve.

December 6th, 1915.

To the Reeve and Councillors,

CORPORATION OF THE DISTRICT OF BURNABY.

Gentlemen:—

Having in mind the warning given, and the suggestion made by His Worship the Reeve at the last Meeting of the Finance Committee, in reference to the financial situation of this Corporation, in 1916, I have given the matter most earnest consideration, not only during the time intervening since that Meeting, but also during the whole of the past year.

While it is true that the Treasury Certificate Issue must be redeemed on November 17th, 1916, and for that purpose \$1,250,000 will be required, there is another point which has possibly been somewhat lost sight of. I refer to the clause in the Agreement with Spitzer, Rorick and Co., and the Equitable Trust Co., which provides that if the Debentures are not sold before September 1st, 1916, the Trustees shall have the right to sell the said Debentures at the best price obtainable, and apply the proceeds to the redemption of the Treasury Certificates.

If this were to happen, the Taxpayers of Burnaby would be in the position of having to provide Sinking Fund and Interest for \$1,716,000 and possibly also a portion of the debt of \$1,250,000, as it is more than probable that the sale of the Debentures would not realize \$1,250,000 to which I will refer later. I would also like to remind you that when we say "Next year the Treasury Certificates are due," it must be borne in mind that after the Election of the new Council, only seven months remain in which to act.