

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

Saanich, B.C.—An issue of about \$30,000 waterworks bonds to be issued by the council.

Calgary, Alta.—A loan of \$20,000 from The Molsons Bank for water mains has been arranged by Mayor Costello.

London, Ont.—By-laws to issue bonds totalling \$309,500 have been passed by the council and a by-law to borrow \$300,000 for current expenses.

Edmonton, Alta.—The taxpayers are to vote on two money by-laws on June 20. One of these is to raise \$1,363,000 on taxes in arrears up to 1914, and the other is for \$1,356,000 on taxes in arrears up to 1915.

Dunville, Ont.—Tenders will be received up to June 19th for \$12,800 6 per cent. 10-year bonds and \$10,000 6 per cent. 20-year bonds. J. W. Holmes, town clerk. (Official advertisement appears on another page.)

Calgary, Alta.—Offers are desired by the city for \$435,000 40-year bonds and \$1,133,806 20-year bonds. The closing date for bids is June 20th. J. H. Mercer, city treasurer. (Official advertisement appears on another page.)

Saskatchewan.—The following is a list of bond applications granted by the Local Government Board:—

School Districts.—Weldon, \$9,000. D. Weir, Weldon; Laverna, \$3,500. J. A. Maurice, Laverna; Lund, \$1,000. C. Hagglund, Melfort; Bellfield, \$1,200. Mrs. J. Sandler, Consul. Rural Telephone Companies.—Vanguard East, \$25,000. W. J. Haley, Vanguard; Keddlestone, \$7,800. N. J. Palmer, Keddlestone; South West Regina, \$1,200. P. Humbert, Regina.

Peel County, Ont.—The following is a list of bids received by Mr. D. Kirkwood, clerk, for \$52,000 5½ per cent. county of Peel bonds, 18 being from Toronto firms:—

W. A. Mackenzie and Co.	101.51	\$52,785
N. W. Harris and Co., Montreal	101.509	52,204.68
Macneill and Young	101.37	52,712
Mulholland, Bird and Graham	101.33	52,694
Imperial Bank of Canada	101.28	52,665
C. H. Burgess	101.22	52,634
Dominion Securities Co.	101.08	52,561
Wood, Gundy and Co.	101.07	52,558
Graham and McDonald Co.	101.06	52,551.20
Quebec Bond Co., Limited ...	100.994	52,517
Royal Securities Corp.	100.77	52,401
A. E. Ames and Co.	100.78	52,407
Kerr, Fleming and Co.	100.662	52,344
R. C. Matthews and Co.	100.65	52,338
G. A. Stimson and Co.	100.61	52,317.20
Emilius Jarvis	100.579	52,301
W. L. McKinnon Co.	100.44	52,228.80
Brent, Noxon and Co.	100.40	52,211
F. L. Fuller and Co., Cleveland,		
Ohio	100.00	52,000
Canada Bond Corp.	98.411	51,174

The bonds were awarded to W. A. Mackenzie and Co.

Calgary, Alta.—At the time the estimates of 1915 were adopted by council, few believed anything but a deficit at the end of the year, could result from such wholesale reductions, says City Comptroller W. C. Wood, in his detailed annual report, and, later in the year, when the floods necessitated a supplementary estimate of over \$47,000, it seemed a certainty. But the expenditures for the year on general account were kept within the estimates by \$40,771. The actual revenue exceeded the actual expenditure by \$256,506. This surplus is largely accounted for by the inclusion of accrued interest on overdue taxes \$161,902, and by \$43,266 surplus on revenue account of former years, brought forward. This amount \$256,506 is carried forward to the estimates of 1916 thus relieving the mill rate. Uncollected taxes amounted to \$2,828,663. Because of the high rate of interest being paid by the ratepayers on money borrowed in lieu of these unpaid taxes, offsetting any further economies in controllable expenditure, and because their collection would not only greatly strengthen the city's credit abroad, but would materially assist in the retention of confidence in Calgary as a desirable business centre, ways and means should be devised by the council for

their rapid and sure collection. Without doubt this is the greatest problem with which the council is confronted. On December 31st, 1915, the city's sinking fund was short by \$493,623. On December 31st, 1914, it was short \$363,862, showing an increase in the shortage of \$129,761. Comptroller Wood calls attention to the question of the creation of a sinking fund commission. The electric light and power department accumulated a surplus on revenue account of \$12,028. Besides this the cost to the consumer of light was reduced from 7 to 5 cents per k.w. hour, a reduction of 28.4-7 per cent. The surplus on the year's operations of the street railway was \$391. Less than 20 per cent. of the usual amount of work was done in 1915 by the paving department. There was not a proportionate reduction in the overhead charges. Because of these facts the unit cost of pavement was increased from \$1.85 in 1914 to \$2.58 in 1915. The matter of overhead charges should receive consideration, and a definite policy determined for future guidance. Unit prices extending over a period of years should be determined upon. During the first six months of the existence of the public market and weigh scales a deficit occurred of \$257. The waterworks department, the largest of the utilities, showed the largest surplus—\$21,072. The consolidated statement of assets and liabilities for the year ended December 31st, 1915, as prepared by Messrs. Macintosh and Hyde, auditors, is as follows: The total of the city's assets is \$25,832,976.

Capital Assets.—Capital expenditures, \$23,274,439; less—depreciation equivalent to sinking fund reserves, \$2,405,333; depreciation reserves (utilities), \$1,024,345; sinking fund, \$1,911,729; depreciation bank accounts (utilities), \$302,372; capital, \$210,299.

Revenue Assets.—Land purchased pending capitalization, \$7,270; office furniture and fixtures (utilities), \$10,235; inventories of materials, supplies, etc., on hand, \$65,828; pre-paid charges, \$98,633; collectible taxes for 1910, \$862; for 1911, \$2,084; for 1912, \$38,360; for 1913, \$269,746; for 1914, \$1,010,448; for 1915, \$1,344,359; debtors for penalties on arrears of taxes, \$161,902; accounts receivable (less reserves for bad debts), \$117,114; cash in bank, \$408,663; cash on hand, \$27,425; total, \$25,832,976.

The liabilities are as follows: Bond issue, \$18,928,486; treasury bills, \$2,000,000; secured by hypothecation of bonds—capital surplus, \$1,340,655, consisting of appreciation of assets, \$1,074,554; revenue contributions to capital, \$207,245; capital donated, \$29,210; realization of capital assets, \$29,644.

Revenue Liabilities.—Due to capital, \$210,299; accrued charges, \$165,801; reserves, \$73,955; treasury bills, secured by hypothecation of unpaid taxes, \$2,000,000; bills payable total \$417,741, made up as follows, banks (utilities), \$95,000; Calgary public school board, \$300,000; general, \$22,741; the bond interest outstanding is \$397,379; treasury bill interest outstanding is \$1,980; sundry accounts payable, \$176,354; wages due but not paid, \$9,435; taxes refund creditors, \$2,910; the revenue surplus as at December 31st, 1915, was: general, \$256,506; electric light and power department, \$156,245; street railway department, \$48,104; less—waterworks department, \$352,621; market and weigh scales department, \$257.

WAR BONDS ACTIVE

The sale of Canadian war loan bonds at the new high price of 99½ has aroused considerable interest. The stock exchange rule makes \$2,000 the standard transaction to establish the market price for bonds. Offerings were scarce at the high price. Large blocks of the bonds subscribed for when the loan was issued last fall have been pretty well distributed, and there is now a fairly widespread market for the bonds. A demand from investors has persisted both in Canada and in the United States. The first half-year's interest of 2½ per cent. on the \$100,000,000 issue was paid on June 1st. It is probable that this interest payment is to some extent being left as deposits in the banks. When the new Dominion loan appears the smaller bondholders may be expected to reinvest their interest, together with other savings. In the meantime, the larger holders will probably be in the market for other bonds.

Canadian government securities sold in New York this week around the following prices: Five-year maturity at 100½, ten-year at 101, fifteen-year at 101¾ to 101½.

Anglo-French bonds are quoted at 95¾ to 96¾.