

can of necessity only sell their bonds to investors who are acquainted with the nature of the municipality in each case.

Registered Stock or Bonds

"The question of issuing registered stock or bonds would of course only rise in a case of Provincial issues or large civic issues and would naturally not apply to the innumerable smaller bond issues of the various municipalities throughout Canada. Undoubtedly the issuance of registered stock is an advantage if the securities are to be marketed in England. The general investor in that centre has been educated to prefer an investment in registered stock to that of bonds. Locally and in the United States, custom has lead us to look upon bonds with more favor than registered stock. This point would, therefore, appear to be entirely a matter of where the securities are to be marketed."

Mr. M. Chevalier of the *Fondier Credit Franco-Canadien* of Montreal, who are the Canadian agents for the *Credit Lyonnais* and the *Bank of France*, was in Vancouver recently. Asked what he thought of the two forms of municipal stocks, Mr. Chevalier stated that his house handles municipal loans for the French market only and for that the best is the debenture form by which bonds are payable to bearer. He thought that the inscribed form involved considerable red tape and anyway many difficulties were in the way of placing such stock on the French market. The best way to handle municipal bonds in that market, added Mr. Chevalier, was in the shape of \$100 certificates, like the French government bonds.

Would the Municipalities Agree?

Mr. F. W. Moore, secretary of the Ontario Securities Company, Toronto, notes that the ideas put forward by Mr. Evans, of Winnipeg, have been mooted several times before but have been relinquished upon mature consideration, it having been decided that the prevailing system of selling through brokers could not be very well improved upon.

"We take it," adds Mr. Moore, "that Mayor Evans' idea is to establish some sort of a central body, to which all Canadian municipalities would refer their bonds for sale. It would then devolve upon this body to employ experts in the municipal bond business to fix the values of the various classes of bonds, and to canvass the purchasing market. This would involve a large staff of highly-paid officials, as, while there are regular buyers of municipal bonds, there are many others who need to be approached personally and, in some cases, to be educated in the value and attractiveness of this class of security as well as others who prefer to invest according to the advice of their brokers. It is difficult to see, therefore, how the municipalities would benefit financially as against the present system, as, contrary to the belief of many, brokers have to work on a very close margin of profit."

"Further, from our experience, we cannot conceive any harmony between municipalities in regard to the fixing of values of their respective issues by such a body. We are frequently met by the assertion by small municipalities, of, say, two or three thousand population, that their bonds are worth just as much as those of a city, which they will mention, having a population of fifty thousand or more, and it is the competition by a number of separate institutions that finally establishes the market value in their minds. Whereas, if they had to deal with only one body, this competition would be eliminated and probable wrangling would result."

As to the Borrowing Comparison

"Mayor Evans' remarks regarding the comparative value of bonds of various maturities are not particularly lucid. If the city of Winnipeg borrowed \$1,000,000 per year for ten years by the issue of ten-year bonds, the net debt in this respect in the eleventh year would appear to be \$8,000,000 instead of \$7,000,000, assuming that there were no further borrowings. To take another aspect of his remarks regarding respective values, it stands to reason that the market value of bonds of a municipality expending \$10,000,000 in ten years would not be so high, everything else being equal, as that of a municipality spending only this sum in 20 years."

"Mayor Evans' scheme does not seem to be very clearly formulated and it is possible that upon further elucidation by him it might be more feasible than appears to us at present."

COMING BOND ISSUES.

Saltfleet, Ont.—\$9,000, for cleaning drain.

Bridgeburg, Ont.—The ratepayers have passed a sewerage by-law.

London, Ont.—A by-law for a storm sewer will probably be submitted at the coming municipal elections.

Yorkton, Sask.—A by-law to raise \$16,000 for high school purposes will be submitted shortly.

Nanaimo, B.C.—The by-laws for Bastion street bridge and waterworks loan have passed the ratepayers.

Peterborough, Ont.—\$15,000, or \$20,000, will be needed for the new hospital. A by-law is soon to be voted on.

Revelstoke, B. C.—The city council will lay before the ratepayers a by-law for the extension and improvement of the power plant.

Portage la Prairie, Man.—A by-law has been passed, granting Western Radiators, Limited, a fixed assessment of \$5,000 for 20 years.

St. Lambert, Que.—A by-law has been passed authorizing the issue of \$7,000, bonds 50 years semi-annual, not exceeding 5 per cent.

Lansdown, S.D., No. 1511, Man.—On November 2nd, the ratepayers will vote on a by-law to raise \$2,000. Frank Ness, St. Charles, is secretary-treasurer.

Starbuck, S.D., No. 1150, Man.—On October 23rd, the ratepayers will vote on a by-law to raise \$12,000, and to issue debentures therefor, bearing 5¼ per cent. interest and maturing in 20 years. H. Grills, secretary-treasurer, Sanford P. O., Man.

Owen Sound, Ont.—A new addition will be built to the General and Marine Hospital, costing \$12,000, or \$15,000. The town council have passed a resolution authorizing the raising of \$400,000 for a railway, either by creating a debenture debt or by guaranteeing bonds.

CONCESSIONS FOR SHIPBUILDING.

At a meeting of the City Council of Sydney, C.B., a motion was brought forward in favor of inducement, in the shape of a bonus, being offered to the establishers of a shipbuilding industry. In the motion it was resolved that a plebiscite be taken on November 30th.

Alderman Gunn explained that the cost of establishing such a plant would involve an outlay of from \$1,000,000 to \$1,500,000, and that the resolution only called for the guarantee of the interest upon the bonds of the company, and the city would only have to pay this interest if the company defaulted. The liability of the city amounts to \$22,500 a year. The plant would employ 1,000 men; about \$12,000 a year would be derived in taxes upon assessable property; and \$4,500 would be a reasonable estimate of the water revenue.

The resolution calls for two public meetings. The aldermen deferred the subject for a fortnight.

NEW WESTMINSTER BOND OFFERING.

The City of New Westminster, B.C., is calling for tenders for its 5 per cent. debenture issue of \$398,000. The only previous issue in recent years was twelve months ago when \$132,000 sold for \$133,465 realizing a premium of 1.11 per cent. The total bonded debt of the city including the new issue is \$1,617,100, except local improvement debentures, amounting to \$40,000. The sinking fund amounts to \$25,240, which is under the control of the commissioners, appointed under a British Columbia Statute, being G. D. Brymner, manager of the Bank of Montreal at New Westminster; C. G. Major and R. L. Reid, K.C. The city auditor is Walter J. Walker, F.C.A. (Ont.). The city's progress and development has been steady and continuous. In 1899 the population was 6,295 and in 1909, 12,198, while in the same years, the taxable assessment was \$3,191,452 and \$5,390,495 respectively.

All improvements are assessed at only half value. Government, civic, ecclesiastical and educational, etc., property is entirely exempt from taxation. The city owns considerable areas, including 100 chains of water frontage lots on the River Fraser, which at present are leased at low rentals. The wharves and buildings thereon are also untaxed. Much of the above exempt property will become taxable when the land is sold.

The increased attention and expenditure by the Dominion Government to this, the only fresh-water port in British Columbia; the location of the large bridge over the River Fraser, to which several railways are heading; the establishment of new manufacturing industries in its midst; and last, but not least, the rapid development of its agricultural environs, and the convenient communication throughout, afforded by electric railways, guarantee the continuance of the progress of New Westminster in the future, although it has every reason to be proud of its past.

Eleven bids were received for the Manor, Sask., \$3,000, 5 per cent. 15-year sidewalks and grading debentures. The Canadian Bank of Commerce bid for this issue. The debentures were awarded to Messrs. Hawkey, Somerville & Company.

Among the fourteen bids received for the London, Ont., \$40,500 4 per cent. debentures, were those of the Bank of British North America, Bank of Toronto and C. H. Burgess & Company. The other eleven bids were from well known bond houses. The Bank of Toronto was awarded this issue.