

BONDS and MUNICIPAL CREDIT

INVESTMENT OF SINKING FUNDS.

The subject of the investment of municipal sinking funds is one which should be given careful consideration by our legislators, as in some respects the existing provisions are lax.

The Ontario Government has made a step in the right direction in allowing 4 per cent. on all sinking fund money deposited with them by municipalities, thus insuring absolute safety of principal, and also an interest return considerably above that obtainable from the banks. One feature which appears to provide scope for future trouble is the fact that municipalities are allowed to purchase their own debentures for sinking fund purposes. This is certainly very objectionable from a number of standpoints. It must be remembered that the sinking fund is a trust fund for the bondholders, and should be handled solely with that point in view. Any municipality might be given to extravagant expenditure, and if it got into financial difficulties and its sinking fund was invested largely in its own debentures, it would certainly be impossible to regard such an investment as being conservatively secured.

So far no Canadian municipality has been placed in this unfortunate position, but one has to look to the future, and it would seem that a measure to guarantee the safety of the sinking fund in every way should certainly be a subject for careful thought. It would be a simple matter to stipulate that sinking funds were to be either invested with the government or in securities which come within the scope of the "Trustees Investment Act," with the exception of bonds of the particular municipality concerned. Only recently a certain municipality in Western Canada loaned its sinking fund to the city for a certain time. This is certainly a very lax proceeding, and deserves decided censure by financial authorities.

For the future good of our municipalities' credit it is most important that these funds should be handled in the most strict and conservative manner.

BOND TENDERS INVITED.

Monetary Times Weekly Register of Information for Bond Dealers and Municipal Officials.

Welland County, Ont.—A \$100,000 30-year good roads by-law has been recommended.

Outremont, Que.—Tenders are being called for \$200,000 worth of street improvement debentures.

Portage la Prairie S.D. No. 10, Man.—A by-law to issue \$20,000 20-year 5 per cent. debentures has been passed.

Ingersoll, Ont.—Until June 18th, for \$54,800 4 per cent. 30-year electric light debentures. W. R. Smith, town clerk.

Pelham, Ont.—Until June 25th, for \$17,000 5 per cent. 30-year debentures. A. N. Armbrust, township clerk, Ridgeville, Ont.

Medicine Hat, Alta.—Until June 20th, for \$125,000 5 per cent. local improvement debentures. E. Roberts, secretary-treasurer.

Lachine, Que.—Until June 22nd, for \$188,000 4½ per cent. 40-year semi-annual debentures. Mr. H. Robert, secretary-treasurer.

Ellice Municipality, Man.—Until June 21st, for \$5,000 5 per cent. 10-year bridge debentures. H. Tillman, secretary-treasurer, St. Lazare.

St. Lambert, Ont.—Council are considering the borrowing of \$100,000 for roads construction. It is not yet decided in what manner this sum would be raised.

Wewnessa, Man.—On June 20th, the ratepayers will vote on a by-law to issue \$3,000 5 per cent. 20-year fire hall debentures. W. T. Johnston is secretary-treasurer.

Regina, Sask.—Until July 11th, for \$586,500 4½ per cent. 20, 30 and 40-year debentures. A. E. Chivers, city clerk. (Official advertisement appears on another page)

Brigdenley S.D. No. 497, Man.—On June 20th, the ratepayers will vote on a by-law to raise \$2,500 for school purposes. F. W. Kirby, secretary-treasurer, Carman.

Saskatoon S.D. No. 13, Sask.—Until June 25th, for \$65,000 30-year 5 per cent. debentures. W. P. Bate, treasurer, Box 1406, Saskatoon. (Official advertisement appears on another page).

Virden S.D. No. 144, Man.—Until July 2nd, for \$25,000 5 per cent. school debentures. A. W. H. Smith, secretary-treasurer, Virden, P.O. (Official advertisement appears on another page)

High River, Alta.—On 27th June, the ratepayers will vote on a \$121,000 5 per cent. 40 instalment debenture by-law. A by-law to raise \$4,350 for cement sidewalks will also be shortly voted on.

Beaverton, Ont.—Until June 27th for \$7,000 4½ per cent. 20-year town hall debentures, validated by the Ontario Railway and Municipal Board. C. A. Paterson, clerk. (Official advertisement appears on another page).

DEBENTURES AWARDED.

Alberta, S.D.—\$6,000, 5½ per cent., 10-year, debentures, to Messrs. H. O'Hara & Company, Toronto.

Taber, S.D., Alta.—\$45,000, 5 per cent., 30-instalment, school debentures, to Messrs. Nay & James, Regina.

Ochre, S.D., Man.—\$4,500, 5½ per cent., 20-instalment, school debentures, to Messrs. Nay & James, Regina.

Montreal, Que.—\$20,000, Ville Emand debentures, to Messrs. C. Meredith & Company, Limited, Montreal.

East Kildonan, S.D., Man.—\$11,000, 6 per cent., 20-instalment, school debentures, to Messrs. Nay & James, Regina.

Buchanan, Sask.—\$3,000, 6 per cent., 15-instalment, local improvement, debentures, to Messrs. Nay & James, Regina.

Outremont, Que.—\$75,000, 5 per cent., 40-year, street improvement debentures, to Messrs. Hanson Bros., Montreal.

Chamberlain, S.D., Alta.—\$10,000, 5½ per cent., 20-instalment, school debentures, to Messrs. Nay & James, Regina.

Tofield, Alta.—\$7,500, 5½, 20-year, and \$1,580, 6 per cent., 10-year debentures, to Messrs. May & James, Regina, at par.

Bowden, Alta.—\$1,350, 6 per cent., 10-instalment, permanent improvement debentures, to Messrs. Nay & James, Regina.

Bladworth, Sask.—\$1,000, 6 per cent., 10-instalment, permanent improvement debentures, to Messrs. Nay & James, Regina.

Lashburn, Sask.—\$2,500, 5 per cent., 15-instalment, local improvement debentures, to the Ontario Securities Company, Toronto.

Chatham, Ont.—\$3,500, 5 per cent., 15-instalment, local improvement debentures, to Messrs. Brent, Noxon & Company, Toronto.

Peterborough, Ont.—\$22,671.46 4½ per cent., 20 and 30-year, local improvement debentures, to the Dominion Securities Corporation, Toronto.

Portage la Prairie, Man.—\$20,000, 5 per cent., 20-instalment, school debentures, to Messrs. Wood, Gundy & Company, Toronto, at \$100.31.

St. Mary's, Ont.—\$30,174, 4 and 4½ per cent., \$24,174, 20 instalment, and \$6,000, 30-year, debentures, to Messrs. C. H. Burgess & Company, Toronto.

Dunnville, Ont.—\$30,000, 4½ per cent., 20-instalment bonus to Gas and Gasoline Engine Company debentures, to the Dominion Securities Corporation, Toronto.

VANCOUVER ISSUE IN LONDON.

The £453,678, 4 per cent., 40-year, Vancouver, B.C., registered stock issue, was offered to the public yesterday by Messrs. Brown, Shipley & Company, London, Eng.

One Regina, two Winnipeg and three Toronto bond houses bid for the St. Vital Municipality, Man., \$6,000 5 per cent. roads and bridge debentures, maturing in 20 years. Messrs. Wood, Gundy & Company were the successful bidders as previously noted.

For the \$10,000 4 per cent. telephone debentures of Brenda Municipality, Man., maturing April, 1920, eight bids were received, five being from Toronto, two from Winnipeg and one from Regina. As previously noted, the offer of Messrs. Nay & James, of Regina, was accepted.