

ceived, do away with the necessity of establishing a Sinking Fund, the management and conduct of which are always fraught with difficulties, dangers and temptation. The misuse of, the low rate of interest earned on, the failure to efficiently manage, the expense and time involved in administration of and the losses involved in Sinking Funds are thoroughly well known to those versed in municipal finance. Undoubtedly the best Sinking Fund ever devised is the partial payment of the debt year by year.

#### Market Standpoint.

More and more is it becoming recognized that the Instalment Method of repaying loans is the safest, surest and most economical. Bond houses and important investors in bonds, here and in the United States, are showing a preference for issues so made payable. They then have absolute knowledge that the municipality is steadily improving its financial position by the annual reduction of its bonded liability. It is only necessary to mention that such cities as Chicago, New York, Boston, Philadelphia, etc., are issuing bonds in this form to indicate how general it is becoming.

#### Variety of Maturities.

It was formerly claimed that there was a limited market for instalment bonds, because investors preferred to have their investments mature at one period, some years distant. This objection has little weight in view of the fact that with such important issues as the larger municipalities will put out from time to time there will always be a choice of maturities, running from one to say 20 or 30 years, and that such variety will suit the varying needs of a greater body of investors.

It is confidently believed, based to an important extent upon the experience of first-class municipal loans, that municipalities

adopting the instalment method would enhance their credit and prestige and consequently would be able to secure their loans, given equal market conditions, at lower rates of interest. In this connection the following statement, made a short time ago by Comptroller Prendergast, of New York, at the time of the sale of that city's bonds, is significant,—“I have no hesitation in saying that the element which produced the success of the sale was the offering of the \$25,000,000 of serial bonds. This departure of the usual city bond offering (Sinking Fund) was very helpful in giving investors an opportunity to vary the form of their city holdings, and, I am certain, has proved very attractive.”

#### Large Financial Saving.

I have examined the money by-laws of a number of our Ontario municipalities, passed in the year 1914, with the object of ascertaining the saving that would have been made if the bonds authorized had been issued on the Instalment Plan instead of on the Sinking Fund plan. In one municipality alone, which issues all of its bonds according to the Sinking Fund Method, I found that the annual levy for interest and Sinking Fund amounted to \$863,050. If these bonds had been issued according to the Annuity Instalment Method the annual levy for interest and payment of debt would have amounted to only \$818,180, or \$44,870 per annum less than by the Sinking Fund Method. The present value of this excess annual charge for the life-time of the bonds amounts to \$596,052. This last amount represents the actual loss to the citizens, as between the two methods, in respect to the bonds authorized for the single year of 1914. The municipality, of course, is a large one, but it will be found that the loss to the smaller municipalities, which are continuing to put out their bonds by the Sinking Fund Method, will be proportionately large, and approximately the same per capita.

*(To be concluded next week).*

### PERSONAL NOTES

Col. W. C. Macdonald, managing director of the Confederation Life, and Mr. J. Tower Boyd, general superintendent of agencies, are in western Canada, inspecting the company's extensive western investments.

Mr. W. E. Milner, manager of the Maple Leaf Milling Company, has been elected president of the grain exchange, Winnipeg. Mr. Milner was born in Brampton, Ontario, and educated there. He started his career as a grain man in Brampton and for 25 years was one of the town's leading citizens, holding the office of mayor for five years and was a candidate for the county of Peel in the Ontario legislature (1894). In 1897 Mr. Milner went to Winnipeg as manager of the Maple Leaf Milling Company, and has resided there ever since. Mr. Milner is president of the Trades Building Association, and has other extensive interests. The other officers of the Winnipeg grain exchange are:—Vice-president, J. C. Gage; secretary-treasurer, Dr. C. N. Bell (acclamation); council, F. J. Anderson (British Empire Grain Company, Limited); W. A. Anderson (North Star Grain Company); J. E. Botterell (Baird and Botterell); Geo. Fisher (Scottish Co-operative Wholesale Society); Geo. W. Head (Head Shipping Company, Limited); David Horn (David Horn and Company); Donald Morrison (Donald Morrison and Company); C. B. Piper (Black and Muirhead, Limited); Jas. A. Richardson (Jas. Richardson and Sons, Limited); S. Scott (Commission); R. E. Wright (Randall, Gee and Mitchell, Limited). Committee of arbitration, H. N. Baird, A. R. Hargraff, W. L. Parrish, G. R. Crowe, F. N. McLaren, A. C. Rutnam, John Fleming. Committee of appeals, E. W. Kneeland, W. W. McMillan, C. Tilt, W. A. Matheson, E. S. Parker, S. Spink, S. A. McGaw.

Sir William Van Horne died on Saturday. The late Sir William came from Dutch stock of New Amsterdam, now New York, and was the son of Cornelius Covenhoven Van Horne, a lawyer by profession. He was born at Joliet, Illinois,

40 miles south-west of Chicago, on February 3, 1843. He first became an office boy at the railway station, at the age of 14, in his native town. There he acquired a knowledge of telegraphy, which procured him employment as a telegraph operator with the Illinois Central Railway. In 1858, he obtained a position with the Michigan Central Railway and remained in the service of that company until he was 21 years of age. He was then appointed a ticket agent and telegraph operator on the Chicago and Alton Railway, and rose to the position of train despatcher, which he held for three years, to that of superintendent of telegraphs, which he retained for one year, and finally to the office of divisional superintendent, which he filled for three years. In 1872 he became general superintendent of the St. Louis, Kansas City and Northern Railway and two years later general manager of the Southern Minnesota Railway, which was at that time in the hands of a receiver, and which he made a paying concern. Mr. Van Horne was promoted to the presidency of the corporation, which he retained when in 1878 he returned to the Chicago and Alton as general superintendent. On January 1, 1880, Mr. Van Horne accepted the office of general superintendent of the Chicago, Milwaukee and St. Paul Railway, then the most extensive system in the United States. He held that post for more than a year and returned to become general manager of the Canadian Pacific Railway. The first sod of the main line was turned on May 2, 1881, and the first general manager of the company, William Cornelius Van Horne, was appointed in November of the same year. Under his direction the building of the railway progressed with such rapidity that the main line was completed in 54 months, less than half the time allowed by the contract between the company and the government, and the last spike was driven by the late Lord Strathcona on November 7, 1885. Mr. Van Horne succeeded Mr. Duncan McIntyre as vice-president in 1884; he became president in 1888, on the retirement of Lord Mount-Stephen, and chairman of directors in 1899. He remained chairman of the board until 1910, and was a member of that body until his death. He was created a Knight of St. Michael and St. George by Queen Victoria in 1894. Sir William was interested in many enterprises in Canada, Jamaica, Cuba, Guatemala, Mexico and Brazil.