BONDS and MUNICIPAL CREDIT

BOND MARKET AND NOTES.

Recent Flotations—Ontario's Bonds All Sold—Bid Made for Regina's New Issue—News and Notes.

The road of Canadian issues to London favor is not one of easy progress. The Western Canada Land Company's flotation of £300,000 5 per cent. debentures at par, for instance, met with a poor reception. This concern has sold the majority of their lands and propose to purchase coal fields at Pembina. The public practically failed to patronize the loan, its sponsors taking 26 per cent., leaving 84 per cent. with the underwriters. A London critic states that the stock appeared to offer a fair 5 per cent. venture. The Canadian Western Lumber Company was described as a stock which appeared to offer a speculative investment affording a relatively high yield over 5⅔ per cent.

It is possible that a large flotation will be made in London in connection with the change of control of the Dunsmuir coal lands of British Columbia. Messrs. Mackenzie and Mann have interested British capital in this property and this week a twenty million dollar company, with a Dominion charter, was incorporated with head offices at Victoria, B.C.

Two Latest in London

The Standard Oil Company of Canada's loan of £160,000 is the latest Canadian issue in London. This will likely be well subscribed, even if only because it is one of many oil corporations which are popular just now.

Manitoba Province has done exceedingly well overseas by selling its $5,000,000 4 per cents. at 103. This is the highest price the province has yet obtained for its securities and places its credit alongside that of Winnipeg city. The government will retire treasury bills to the amount of $250,000. The overdraft on December 31st last, was $367,173.69 and the work planned for the present year will mean an expenditure of $1,750,000, sub-divided as follows:—Long distance lines, $171,900; rural lines, $682,608; buildings, etc., $1,750,000.

The Hon. Hugh Armstrong, the provincial treasurer, stated that the proceeds of the loan will be used for the following purposes:—Telephone, $2,710,000, $2,500,000; gaol, E.J.D., $100,000; treasury notes, $1,030,000, common; drainage, $46,000; elevator, $1,000,000; total $4,886,000, £1,000,000.

The treasury notes, amounting to $1,030,000, were issued some time ago for drainage purposes and these will be permanently funded.

Serious Factor in London.

While Manitoba has obtained the money it requires, cable advices state that the underwriters have been obliged to take 88 per cent. of the loan. This is significant, as the Manitoba stock was 7 shillings cheaper than the recent Winnipeg city issue. At the same time it is learned that Toronto has withdrawn a £300,000 flotation, which it was offering at 103. The unprecedented rubber boom, referred to elsewhere in this issue, is one factor operating against the success of Canadian flotations overseas at present. It is a matter for the serious consideration of those who propose to finance their requirements in England. The rubber boom cannot live much longer, and a temporary waiting attitude in Canada can do no harm.

Ontario's Hydro-Electric Loan

The Ontario provincial loan of $3,500,000 for the construction of the Hydro-Electric power transmission line has all been sold. The last batch of these bonds were eagerly sought and the Honorable A. J. Matheson, provincial treasurer, thinks that many investors held back in the hope of securing better terms. The bonds were listed on the Toronto Stock Exchange last week. A large number of subscribers took the securities. The bonds were dated 1st June, 1909, payable on June 1st, 1939, in denominations of $1,000 each, with coupons attached with interest at the rate of 4 per cent. per annum, payable half-yearly in Toronto, Montreal and New York. On request of holders they will be exchanged for Ontario Government stock at any time. The bonds and inscribed stock are free from all Ontario provincial taxes, charges, succession duties and impositions. The loan was raised upon the credit of the Consolidated Revenue Fund of Ontario and is chargeable thereupon.

Par Offered for Regina's Bonds

The City of Regina is advertising for tenders for five blocks of debentures amounting in the aggregate to $101,000. Bids are to be received until June 6th. The bonds bear interest at the rate of 4¼ per cent. per annum and will be made payable in London, England; New York, Montreal, Toronto or Regina. The Monetary Times understands that Mayor Williams has received from a local banker a private offer of par for these debentures. This applicant also agreed to pay the same rate of interest on the debentures and made the offer so that the city would not be involved in further negotiations and the necessity of advertising the issue for sale. He was ready to take up the debentures immediately. When this proposition was submitted to the civic finance committee, the city clerk stated that it would be necessary to advertise the sale of the debentures according to the Act and that the same would commence a month after the passing of the by-laws by the people, who would authorize the debentures. It was decided to carry these advertisements in all the important financial papers of Europe and America, as the mayor and the city clerk have had several applications and enquiries concerning the sale.

Guarantee of Railroad Bonds

Notice has been given in the Dominion House of a resolution providing for a Government guarantee of bonds of the Canadian Northern Alberta Railway Company for the construction of a line from Edmonton west to the coal areas near the Brazeau River and the head waters of the MacLeod River, a distance of 150 miles. The guarantee is to be to the extent of $13,000 per mile for the first fifty miles and $25,000 per mile for the balance of the line, with interest at the rate of 3½ per cent. per annum, payable half-yearly. The usual conditions with regard to security are imposed. The guarantee supersedes a previous guarantee of bonds to the Edmonton, Yukon & Pacific Railway.

Debentures of Dominion Atlantic Road

A statute of the Nova Scotia legislature passed this session and which recently received its final reading authorized the provincial government to guarantee debentures of the Dominion Atlantic Railway for £190,000. Mr. W. L. Hall the other day unsuccessfully tried to introduce a bill to repeal that Act. He stated that Dominion Atlantic Railway was incorporated under Dominion charter and Nova Scotia province had not control over the company. As to the purposes of the issue of the debentures the proposed North Mountain Railway would have a length of about fifteen miles and the subsidies would defray half the cost. He desired to know what security the province would have. Mr. Hall later introduced a bill, providing that where the governor-in-council under authority of an Act of the legislature passed at the present session or theretofore, authorizing the guarantee of bonds or debentures, the province shall not become liable as guarantor until such time as the legislature approved of the purposes to which the money obtained is to be used. The attorney-general opposed the bill. The government, he said, was running no risk. The old issue had been deposited as collateral with an English bank since the South African war. The company was desirous of selling the bonds and could not get more than 75 or 80 per cent. without the guarantee, but with the provincial guarantee 90 or 95 per cent. could be secured. Mr. Maclean held that some discretion should be given the government as to the purposes for which the funds should be devoted.

Parisian Capital Interested

Mr. Jean Revillon, of Revillon Bros., Paris, capitalists and the great rivals of the Hudson Bay Company in the north, will make applicaton to the next Alberta legislature for a charter to build a railway from Edmonton to Grande Prairie, on Peace River, via Sturgeon Lake, 250 miles.

The members of the Fleming syndicate who are large owners of the first mortgage collateral trust bonds of the Lake Superior Corporation, will surrender $3,000,000 of that issue for cancellation and accept in exchange a like amount of the new bonds to be issued by the Algoma Central Railroad Company and guaranteed both as to principal and interest by the Lake Superior Corporation. The syndicate will receive as a bonus a portion of the issue of preferred stock of the railroad company. Through this financing, the Lake Superior Corporation will be enabled to retire some large notes, and it is expected that the general financial condition of the company will be improved.

The Linton Apartments, Montreal, have been sold, to a syndicate, most of whom already had an interest in that property. The capital of the company is divided as follows: First mortgage bonds, $400,000; second mortgage bonds, $200,000; third mortgage bonds, $125,000, and $350,000 of preferred stock. The new syndicate in the first place acquired the second and third bond issues for about three hun-

(Continued on page 1624).