PAY YOUR DEBTS PROMPTLY

Percival Brooks Coffin
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To get the best results from a dairy farm, you must keep your cows contented and happy; similarly, to get the best price for your drainage district bonds, you must keep your bond holders contented and happy.

When a drainage district issues bonds with which to borrow money for corporate purposes, these bonds are payable to bearer and bear coupons which are in fact notes that fall due once every six months, and represent the interest due.

These bonds are distributed by bond dealers who must satisfy the man with money to invest that he is purchasing a bond which will not alone keep his money safely, but will return him his interest promptly when due.

After these bonds have been sold, they pass by delivery and it is almost impossible to uncover the ownership of the bond. I mention this because at times drainage district commissioners want to know if we cannot tell the owners of the bonds why their interest has not been paid.

These bonds are often purchased by men who are living on their income and spend months away from home. They leave the coupons that fall due with a Bank, the Bank forwards them for collection and sometimes word is returned that taxes have not yet been fully paid in and they have no funds at that time, but hope to have within sixty or ninety days. The bank that collects them merely files this information, and when the owner returns he finds that he has not received the interest, and sometimes finds that he has drawn against these coupons for cash expenses, and there have been no funds in bank to pay his own checks. Naturally he is disgruntled and tells all his friends not to buy a drainage bond because you can't tell when you are going to get your interest, they are safe enough, but they are a nuisance.

Then again, a trust company buys these bonds to distribute amongst small trusts which they hold and when interest is not paid promptly, then a report must be made to the court and the company is censured for making such purchases. Here again,
if this thing happens once, a trust company declines to purchase drainage bonds again.

It is just as easy to send your money to the bank where the coupons are payable ten days before they are due, as it is ten days after, and drainage commissioners cannot be too careful to see that this is promptly done, and not let it be known when inquiry is made that the Commissioners have not held a meeting for three months, or are at that time scattered over three different states.

There are times when a district is short of money, but the taxes are in process of collection and a plain statement of facts made to the local bank will almost invariably induce them to advance the money to pay the coupons and to carry the same at their current interest rate until taxes are collected.

Please remember, that if you fail to pay interest on your bonds, either through carelessness or for any other reason, that thereby you limit the market for bonds and make other drainage districts pay high interest rates for the bonds they want to sell.

The bond dealer who is working for your interests in this matter, cannot help you unless you give him loyal support.

Therefore, I am today urging you, as commissioners, to take care in handling your financial affairs and to meet your obligations promptly.

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SUB-DRAINAGE IN ROAD CONSTRUCTION

W. P. Graham, Rochelle, Ill.

Experience has taught us that, as a rule, the greatest destruction to our roads in this country occurs during the winter and spring months by the freezing and thawing because of the moisture in the ground at that time.

During the spring in very wet localities, high water level is a destructive element, causing the foundation to give way.

In contrast to this condition, we find that in most localities in July and August when the ground is usually very dry and the water level is low the destruction to our roads from any kind of traffic is not very great.

From these conditions we have a right to assume that there are fundamental principles in road building that must be recognized in all types of road construction.