

ALBERTA BONDS IN UNITED STATES

Big Block of Debentures Issued There—Wall Street's Comment

The latest Canadian issue to be presented in the New York market is the \$3,000,000 province of Alberta 10-year 4½ per cent. debentures offered by New York bankers on a 5 per cent. basis.

Commenting on this issue, the Wall Street Journal says:

"Many Canadian bond issues have appeared in the United States investment market in the past year. This is specially true of Canadian municipal bonds, which have received a welcome from some United States investors because of the fact that the yield on them has been higher than on the average United States municipal issue.

"The fact that the London market has not been so ready or able to absorb Canadian securities as it used to be has been one of the factors in sending the issues this way. Canada has to pay more for its money here than it had been in the habit of paying in London, but it has probably been a case of finding the only market open for new securities.

New to United States Investors.

"Canadian government securities have many conditions surrounding them that are entirely unknown in this country. For instance, the prospectus on the new Alberta bonds points out that the Dominion government pays to the province of Alberta \$405,375 a year, or the equivalent of 5 per cent. on \$8,107,500, inasmuch as the province was not in debt when it was incorporated. Alberta guarantees first mortgage bonds of five railroads at the rate of \$20,000 a mile on 176 miles, \$15,000 on 701 miles and \$13,000 on 60 miles of road constructed within the province. The total railway guarantees that the province has authorized the government to execute cover 3,627 miles, a large part of which is still under construction or only contemplated.

"These guarantees are intended to facilitate the building of railroads within the province. No money is advanced to the roads, however, for this purpose. From the present sale of \$3,600,000 debentures by the province \$1,000,000 is for extension of the provincial telephone system, \$1,000,000 for loans to the Alberta Farmers' Co-operative Elevator Company at the rate of 85 per cent. of the estimated cost of elevators, extensions, etc., and only \$1,600,000 for carrying on public works authorized by the legislature.

"This item for loans to an elevator company shows the close connection between Canadian provincial governments and some industrial concerns, as the railroad guarantees show intimate relation with railroad companies. The act incorporating the elevator company provides that these loans shall be secured by first mortgage and shall be repaid in 20 equal annual instalments."

Alberta's Loans this Year.

According to the records of *The Monetary Times*, the following loans have been raised by Alberta this year:—

Amount	Security.	Price.
£1,000,000	4½% stock	95
£1,500,000	4½% debts	97
\$3,600,000	4½% debts	—

The first and second issues were made in London and the third in New York. The province also issued treasury bills in London.

DEBENTURES AWARDED

Melfort, Sask.—\$34,000 30 years, to Messrs. G. A. Stimson and Company, Toronto.

Chauvin, Alta.—\$1,800 6 per cent. 10 years, to Messrs. W. L. McKinnon and Company, Regina.

Sudbury, Ont.—\$35,000 5 per cent. 30 years, to Messrs. Wood, Gundy and Company, Toronto.

Tavistock, Ont.—\$10,382 5 per cent. 30 years, to Messrs. G. A. Stimson and Company, Toronto.

St. Anne de Bellevue, Que.—\$135,000 5 per cent. 40 years, to Messrs. Standard Securities, Montreal.

BOND TENDERS INVITED

James Township, Ont.—The council has passed a by-law to issue \$5,000 6 per cent. 10 instalment debentures.

Winnipeg, Man.—The following by-laws have been carried:—\$100,000 for public schools; \$100,000 for civic contagious diseases hospital; \$60,000 for two new fire stations; \$50,000 for public lavatories; \$1,000,000 for extension of hydro-electric system.

SASKATCHEWAN'S LOAN SCHEME

Premier Scott Will Introduce Bill Which Provides for Co-operative Loaning Efforts

Saskatchewan's co-operative loan proposals will be introduced in the legislature by Premier Scott. The proposed legislation has been discussed in the columns of *The Monetary Times*. It is the result of a commission's investigation in Europe and Canada. The bill provides that any resident of the province, who associates himself with nine other persons, to form a local group, may join the association. He must apply for a first mortgage loan on farm land, and pay a membership fee of \$10, returnable if no loan is granted. The association formed by the aggregation of local groups will be administered by three commissioners, appointed by the lieutenant-governor in council. One member only of this board will be employed on a permanent salary, the others will simply be reimbursed whatever expenses they may incur in the service of the association. There will also be an advisory board of 15 persons, three to be appointed by the government, one each by the following organizations:—The University of Saskatchewan, the provincial department of agriculture, the Saskatchewan Grain Growers' Association, the Union of Rural Municipalities, the provincial Winter Fair Board and the Convention of Agricultural Societies and six by ballot of the association.

Government Will Guarantee.

The new organization will not be run for profit, although a reserve fund may be created, that the government will guarantee principal and interest of bonds issued for an amount to be determined on from time to time, that members of the association will be liable for indebtedness to the extent of 50 per cent. in excess of their borrowings, and that borrowers may pay off their loans prior to the expiration of their mortgages if they so desire.

Loans will not be made in respect to more than 40 per cent. of the value of farm property and the commissioners will be the valuers. No loan will be for less than 15 years or more than 35, and all loans will be repayable in equal annual or semi-annual instalments of principal and interest. It is provided, as an offset to the foregoing relation, that on moving three months' notice or a bonus of three months' interest, any member may pay an amount toward the discharge of his loan in excess of the regular payment. He will not, however, in consideration of having made an excess payment be allowed to miss making payments on the subsequent dates when regular payments fall due.

Power to Borrow.

The rate of interest will be designed barely to cover the cost of marketing securities, of conducting the business of the association, and of creating a reserve.

Power will be accorded to the association to borrow, to hypothecate its real and personal property, and to lend to agriculturists. It may also invest disposable funds by depositing the same in any chartered bank, by investing in such securities or ways as a trust company is permitted to lend trust funds in its hands, or by the purchasing of its mortgage bonds.

Borrowers from the association must devote the funds so raised to permanent improvement of their properties, or to productive purposes connected with it. Where land depreciates in value the association has power to require a partial repayment of the loan.

SCHOOL DISTRICTS EMPOWERED TO BORROW MONEY

The following school districts have been authorized to borrow money. The particulars are given in order, name and number of school district, amount required, and name of secretary-treasurer:—

Saskatchewan.

Keppel, No. 3109.	\$1,800.	J. Winter, Keppel.
Grenfell, No. 150.	\$1,000.	Henry Sayer, Grenfell.
Krupp, No. 2092.	\$1,000.	Wm. Greening, Krupp.
Brant, No. 3018.	\$1,600.	R. A. Bruce, Wild Rose.
Selz, No. 2943.	\$1,200.	Adam J. Meier, Schulz.
Crystal Plains, No. 808.	\$500.	W. Smith, Wild Rose.
Hanna, No. 1946.	\$600.	Robt. Turnbull, Spruce Home.
White Swan, No. 3049.	\$2,000.	Edd. S. Welch, Starview.
Warwick, No. 3080.	\$2,200.	Fred. N. Burke, Kerrobert.
Cochin, No. 1201.	\$1,200.	R. J. Hazlett, Meadow Lake.
MacVile, No. 2985.	\$1,800.	H. J. Daubney, Bengough.
Neigel Plains, No. 3046.	\$2,000.	Thos. Harnwell, Krupp.