

tures of various maturities. The proceeds of the issue will be used for soldiers' civic gratuity and other purposes.

Montreal, Que.—A block of \$500,000 6 per cent. 10-year school bonds has been purchased by Versailles, Vidrecaire and Boulais.

Nova Scotia.—The tender of the Dominion Securities Corporation of 102.02 for the \$2,000,000 6 per cent. 10-year bonds, payable in Canada and New York, has been accepted. At this rate the province pays about 5.63 for its money.

The following is a list of tenders received:—

| | 5 years, U.S. | 10 years, U.S. | 10 years, Can. | 20 years, Can. |
|---|------------------|-------------------|-------------------|-------------------|
| Dominion Securities Corp., and Wm. A. Read and Co. | 104.04 | 102.02 | ..... | ..... |
| Dominion Securities Corp., and W. F. Mahon and Co. .... | ..... | ..... | 95.17 | 94.16 |
| *Wood, Gundy and Co., National City Co., and E. H. Rollins and Co. | 103.235 | 101.435 | ..... | ..... |
| *Wood, Gundy and Co., A. E. Ames and Co., Eastern Securities Co., J. C. MacIntosh and Co., J. M. Robinson and Sons, and National City Co. .... | ..... | ..... | 93.13 | 91.90 |
| J. C. MacIntosh and Co., on behalf of Halsey, Stuart and Co., and A. E. Ames and Co. | 102.99 | 100.395 | ..... | ..... |
| Canada Bond Corp., A. B. Leach and Co., Paine, Webber and Co., Hornblower and Weeks, Wells-Dickey Co., First Wisconsin Trust Co., Carstens and Earles and Rutter and Co. | 102.67 | 100.45 | ..... | ..... |
| Harris, Forbes and Co., Inc. .... | ..... | 101.871 | ..... | ..... |
| Canadian Debentures Corp., and C. H. Burgess and Co. .... | ..... | 101.97 | ..... | ..... |
| United Financial Corp., Ltd., and Bank of Montreal .... | ..... | 100.33 | ..... | ..... |
| A. Jarvis and Co., Blodget and Co., and First National Co. .... | ..... | 100.24 | ..... | ..... |
| R. A. Daly and Co., Lee, Higginson and Co., Merrill, Oldham and Co., Eastbrook and Co., White, Weld and Co. .... | ..... | 99.677 | ..... | ..... |
| R. C. Matthews and Co., Kassal, Kinnicut and Co., Bankers' Trust Co., Wm. R. Compton and Co., Detroit Trust Co., F. S. Mosely and Co. .... | ..... | 99.262 | ..... | ..... |

*These two syndicates also bid for half of each maturity. In the case of the 5 and 10-year bonds payable in New York the offer was 102.435. In the case of the 10 and 20-year bonds payable in Canada the price was 92.50.

Windsor, Ont.—W. A. Mackenzie and R. A. Daly and Company have purchased \$377,547 5½ and 6 per cent. bonds, which mature from 1921 and 1960, inclusive. The proceeds of the issue will be used for various purposes. It is understood that there were several bids for the securities, although no prices have been announced.

Oshawa, Ont.—A. E. Ames and Company have been awarded \$78,743.88 6 per cent. 15-instalment debentures at 94.199, which is on about a 6.94 per cent. basis. Tenders received were as follows:—

A. E. Ames and Co., 94.199; Wood, Gundy and Co., 93.90; Dominion Securities Corp., 93.588; United Financial Corp., Ltd., 93.56; Æmilius Jarvis and Co., 93.53; N. A. McDonald and Co., 92.76.

Toronto, Ont.—The city's \$2,853,000 6 per cent. bonds have been sold to a syndicate of Toronto dealers at 94.317, which is on a basis of about 6.55 per cent. The securities are for various maturities, but the average is 17½ years. Four tenders were received as follows:—

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|--|--------|
| Dominion Securities Corporation, R. A. Daly and Company, W. A. Mackenzie and Company, Harris, Forbes and Company, Inc., and the National City Co., Ltd. | 94.317 |
| *A. E. Ames and Company and Wood, Gundy and Company | 93.239 |
| A. Jarvis and Company | 93.21 |
| United Financial Corporation, Ltd., and R. C. Matthews and Company | 90.60 |

*In addition to this bid an offer was made for \$1,834,000 at 93.239 and an option on the balance at 94.450.

Smith's Falls, Ont.—Tenders will be received until November 22, 1920, for the purchase of \$9,200 6½ per cent. 20-instalment debentures, the proceeds of which will be used for hydro-electric purposes. J. A. Lewis, town clerk.

MUNICIPALITIES FEELING SHORTAGE OF CAPITAL

Defaults Have Seriously Affected Their Ability to Borrow—Settlement in Case of Humboldt

(Special to *The Monetary Times*.)

Saskatoon, Sask., Nov. 8, 1920.

QUITE recently some developments have been taking place in the municipal situation in Saskatchewan which are of more than ordinary importance. The outstanding one is, of course, the enquiry into the affairs of Humboldt by the Local Government Board. It may be worth noting here that the business of this body is steadily growing, and is of a varied character.

By the outsider it is looked upon as the responsible supervisor of capital expenditure in municipalities. Every new school, electric light plant or skating rink or other public undertaking, the carrying out of which by a municipal or school authority involves going to outside markets for capital, must first have the consent of this body. The importance of this prerogative of the board is certainly not appreciated by the public generally in Saskatchewan, nor that of any other province of the Dominion, except those units of the general public who have been approached by the bond salesman with a view to becoming a holder of Saskatchewan municipal or school bonds. Of course the bond dealers appreciate the importance of the board, and they represent to prospective buyers of Saskatchewan municipal, school and telephone debentures that the money they represent is expended under the board's supervision. The Act creating the board charges it to do so.

To buyers of bonds it is, therefore, represented, and properly so, that Saskatchewan bonds are safe purchases, because the affairs of the borrowing bodies are kept within the limits of safety by the board. And when it is possible to make this statement the market for the said bonds should be appreciably widened. For some reason, however, this obviously sane policy, under which the capital expenditures of municipal and school authorities are carefully supervised, has not resulted in the creation of a ready market for Saskatchewan city and town school and municipal debentures.

Poor Sale for Bonds Now

That so little demand exists for these debentures is one of the serious developments in local affairs here. Within the past few days a town school districts' officers deplored the fact that, even on a basis of 10 per cent., they could not get an offer for their bonds. Saskatoon itself, a city that has put its financial affairs into such order as to compare favorably with any other city of the province, has its own difficulties in marketing securities, although its desires in the way of borrowing received from the Local Government Board severe checks. The volume of rural school debentures that would go to market if there was one big enough is very large. It is presumed, however, that the Local Government Board has fixed the limit of 8 per cent. to the borrowers as the maximum. Buyers, however, are not rushing to buy these securities on even that basis, and in consequence the volume available is difficult to measure.

Many school districts are being organized, and the aggregate of their needs must be very large. But the spout through which these bonds get to the public is under the careful control of the Local Government Board. The same applies to telephones. Rural exchanges are growing in number, and they are as valuable in bringing the people into touch with each other, and thereby obliterating that strangeness which makes nation-building more difficult, as are the public schools. But 8 per cent. is not now attractive to the buyers of school and telephone bonds. Nor does any rate of interest prove attractive in the case of Saskatchewan municipal and school bonds. Naturally, the question is being asked why these things should be.

To this question the public are beginning to look for an answer from the Local Government Board. Why is it that

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