

REGINA WILL DO ITS OWN FINANCING

Will Not Pay More than Current Rate of Exchange on Sterling Issues—Local Sales Being Attempted

(Special to *The Monetary Times*.)

Regina, July 10th, 1920.

SOMEWHAT of a spirit of antagonism between the Regina city council and the bond brokers of eastern Canada has been created, as a result of which the city council has just turned down a recommendation of the city commissioners to call for tenders for a block of debentures of about \$100,000 which will be ready for the market, provided the burgesses approve the issues at the polls on July 22nd. The city council will instead attempt to sell the issue over the counter to local investors, and, in order to ensure a ready sale, a committee of the council has been appointed to co-operate with the city commissioners in putting on a publicity campaign.

Won't Pay Interest at Par

The situation has been partly brought about by the attitude of the city council with respect to the payment of interest coupons of sterling bonds domiciled in Canada. This has been a burning question in the council chamber since the first of the year. The coupons are made payable in sterling currency, and the council decided to redeem at current rate of exchange.

The decision brought a storm of protest from bond houses on behalf of their clients, and, as a result of the representations which have been made, the question has been discussed at numerous meetings of the council during the first six months of the year, and was only finally disposed of early this month by the aldermen ordering the item struck off the agenda, thus proclaiming its intention to adhere to its original decision. At the same meeting it was decided to make an appeal to the local investors for the necessary funds to construct this year's programme of improvements.

The council adopted the attitude that the city should not be expected to pay par rate of exchange on what was stated to be large quantities of Regina city sterling bonds sold to Old Country investors and repurchased in this country last year with the object of realizing on the difference in exchange. A compromise was suggested by some of the aldermen in the form of a provision that par rate of exchange should be paid on all securities which had been domiciled in Canada prior to July 1st, 1919, putting it up to the holder to support his claim by a sworn statement of date of purchase. This, however, was declared to be impracticable, and the council has now definitely decided to pay current rate of exchange on these coupons.

New Financing this Year

The city will have for sale this summer debenture issues totalling approximately \$240,000. Of this amount, \$100,000 will be voted on at the polls on July 22nd, and, subject to the approval of the burgesses, subscriptions are already being

taken for this issue. A further \$80,000 represents local improvement by-laws, which will be financed by the bank. The remaining \$60,000 is an issue for paving lanes in the business district, and an effort will be made to place this issue with the property-owners abutting on the property to be improved, the Local Government Board having stipulated that this flotation be confined to the local market.

Early in the year the city undertook its first sale of securities on the local market. An issue of \$61,000 6 per cent. debentures, maturing 1934, and an issue of \$56,000 6 per cent. debentures, maturing 1928, were offered through the wickets at the city hall. The longer term flotation was over-subscribed to the extent of the total of both flotations, and of the other issue \$36,000 was sold, the selling price being par in both cases.

When the city council undertook to turn down the recommendation to call for tenders among the bond brokers for the new issue maturing in 1935, some of the aldermen declared that they would have to pay a higher price than those which had been sold locally, and they did not wish to place themselves in the position of being turned down by the bond houses. Further, to pay a higher price to eastern bond brokers would be an injustice to the local investors, who had paid par for 6 per cent's., it was stated.

While the foregoing was the attitude of the majority of the council, one or two members shook their heads. "What about the future when we may wish to call for a million dollars or more?" they asked.

Local Sales Being Pushed

The Local Government Board in this province is also doing what it can to encourage the sale of municipal and telephone debentures among local investors, and, largely as a result of its actions, issues totalling \$250,000 were sold directly to local investors in 1919 in addition to further sums sold indirectly.

The Saskatchewan Rural Telephone Companies' Association, at its convention in Regina last week, passed a resolution, asking the Local Government Board to afford every opportunity to telephone subscribers to purchase rural telephone debentures. The Hon. Geo. Bell, chairman of the L.G.B., told the convention that, up to the limits of his staff's capacity, the board was prepared to do this, and would issue debentures in any denomination to assist local sales.

THE RIORDON PULP AND PAPER COMPANY, LIMITED

COMMON STOCK DIVIDEND No. 18

Notice is hereby given that a quarterly dividend of 2½% has been declared on the Common Stock of the Company for the quarter ending June thirtieth, 1920, payable August fifteenth, 1920, to shareholders of record at the close of business on August sixth, 1920.

By Order of the Board.

F. B. WHITTET, Secretary-Treasurer.

Montreal, July 13th, 1920.

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UNLISTED SECURITIES

Quotations furnished to The Monetary Times by A. J. Pattison, Jr. & Co., Toronto (Week ended July 14th, 1920.)

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Aita. Pac. Grain...pref.	83	90	Cuban Can. Sugar.com.	46.50	49	Laurentide Power.....	62	63	Toronto Power.5's (1924)	85	90
Ames Holden Tire...com.	41	42	pref.	72	76	Loew's (Ottawa)...com.	10	12.75	Trust & Guar....x.d.3%	70	76
Belding, Paul.....com.	59	59	Davies, William.....6's	98	101.50	Manufacturers Life.....	34	39	United Cigar Stores pref.	1.75	.....
Black Lake.....com.	14	14	Dominion Fire.....	49	.....	Massey-Harris.....com.	101	107	Western Assurance.....	10	14.50
pref.	22.50	22.50	Dom. Foun. & St....com.	74	.....	Mattagami Pulp.....com.	64	65.50	West. Can. Pulp....com.	40	44
British Amer. Assurance	9.75	13.25	8% pref.	95.50	98	Mexican Nor. Power..5's	7.50	10	Western Grocers...pref.	.....	76.50
Burns, P., 1st.....6's	98.75	.....	Dom. Iron & Steel 5's 1939	72	75	Mississauga Golf.....	47	57.50	Whalen Pulp.....com.	60	.....
Caledon Moun. Trout Cb.	200	.....	Dom. Power.....com.	51.50	53	Murr.-K.....7% pref.	67	73.50	Whalen P'p Trust Cert.	.....	60
Can. Felt.....pref.	66.50	.....	Dunlop Tire.....7% pref.	92	96	National Life.....	40	8.50	.....	.....	.....
Can. Furniture....pref.	26.50	30.50	6's	96.50	.....	North-Amer. Pulp....com.	5	5.50	.....	.....	.....
Can. Mortgage.....	63.50	69	Goodyear Tire. pref.x.d.	90	95	North Star Oil.....pref.	3.40	3.60	.....	.....	.....
Can. Oil.....com.	56	.....	pref.	97	97	Ont. Pulp...6's X-Talons	95	99	.....	.....	.....
Can. Westinghouse....	100	110	Harris Abattoir.....6's	91	95	Page Hersey.....pref.	72.50	.....	.....	.....	.....
Can. Woollens.....com.	47.50	51	Home Bank.....	100.50	105	Riordon...com.(new.stk.)	50	52	.....	.....	.....
pref.	85	85	Imperial Oil.....	110	118	Robert Simpson.6% pref.	78	82.50	.....	.....	.....
Cockshutt Plow 7% pref.	55	59	Kipawa Paper.....com.	71.50	76	Sterling Bank.....	111	117	.....	.....	.....
Cof'gwood Shipb'dg...6's	93	.....	King Edward Hotel.com.	.....	65	Sterling Coal.....com.	18	20.50	.....	.....	.....
Crown Life.....	86	.....	7's	74.50	80						