

## MUNICIPALITIES FEELING SHORTAGE OF CAPITAL

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the rural schools must wait, and lonely settlers' children must go without elementary education—or must be content with the promise of it—at a time when the government is finding money to lend to individual farmers at 6½ per cent., and when farmers are at the same time making vigorous demands on private lenders to get money at 8 per cent. In too many cases the farmers make no bones about offering more than 8 per cent. These facts are but a few of many that might be enumerated that are creating a questioning attitude of the public mind.

While in this humor the citizen is prone to lend his ear and attention to such incidents as the enquiry at Humboldt, conducted by the Local Government Board. That town's debt is about half a million, and it is now some years since it paid interest and principal coupons maturing. Its water and electric light plants are sources of loss, and the capital expenditure on them was authorized by the Local Government Board. This was not fully admitted when the point was raised by the representatives of the bondholders at the investigation, but there is no gainsaying the fact that the major portion of the capital in the utilities in question was expended and obtained under the board's direction. What course it will now take after an investigation, made on the initiative of the bondholders, is the subject of conjecture.

## Humboldt in Bad Position

The position at Humboldt is a serious one. The tax rate is 67 mills, and even at that there is a bare surplus, not nearly equal to ordinary as well as uncontrollable expenditure in the form of interest and principal payments. Annual deficits on utilities are increasing as a result of declining plant efficiency, and water is being pumped at great cost, which the citizens decline to use except for flushing and fire purposes. The problem presented is a difficult one, but on its solution very much depends, not only to Humboldt, but to the whole of Saskatchewan's municipalities. If the bondholders of that town are to bear the loss, it is feared that the present awkward situation in the market for municipal securities will be accentuated, and the board, looked upon as the guardian of municipal credit by the bond buyers, will find itself bereft of its chief value as a factor in reducing the cost of capital so much needed for local development purposes. Humboldt is the first occasion, so it is generally believed here, on which the board has had to deal with trouble arising from expenditures authorized by it. Whatever action it takes will, therefore, establish an important precedent. Its chairman, the Hon. G. W. Bell, is regarded here as being resourceful and capable, and doubtless will evolve some plan by which the Humboldt citizens may get back to solvency, speaking of them as a municipal corporation. In their private affairs there is obviously a state of health, if the travellers' reports may be relied upon. There is some basis of hope in this condition.

If Humboldt was the only Saskatchewan town in trouble the problem before the Local Government Board would not be so difficult. But there are others, and what is done in respect of one may become the precedent by which the settlement of other town troubles will be guided. On the result of enquiries now under way the restoration of municipal credit will depend. It is this aspect of the question that is not very well understood. The Local Government Board is now in the very important position of being the arbiter of the situation. It is in its power to reconstruct municipal credit or to let it drift without a rudder, and thus create a condition that may for some generations leave on the municipal and school districts the burden of interest rates higher than would be the case if the bondholders' confidence could be restored.

The Provincial Savings and Trust Co., of Winnipeg, is applying to the Manitoba government for permission to adopt the name "Netherlands Trust Co. of Canada."

## WAYAGAMACK PULP AND PAPER COMPANY, LIMITED

## NOTICE

Notice is hereby given that a Special General Meeting of the Shareholders of Wayagamack Pulp and Paper Company, Limited, will be held at the Company's office in the City of Three Rivers on Thursday, the 9th day of December next, at the hour of one o'clock in the afternoon, for the following purposes, namely:—

(a) To consider, and, if deemed advisable, to pass a resolution authorizing the Directors of the Company to apply to the Secretary of State of Canada for Supplementary Letters Patent amending and varying the provisions of the Letters Patent incorporating the Company relative to its capital stock by converting the present outstanding capital stock of the Company, namely, 50,000 Common shares of the par value of \$100 each into 100,000 Common shares without nominal or par value;

(b) To consider, and, if deemed advisable, to pass a resolution ratifying and confirming the following By-law enacted by the Directors of the Company:—

## "By-Law No. 21"

"A By-law to increase the capital stock of the Company.

"Whereas it has been decided to make application to the Secretary of State of Canada for Supplementary Letters Patent converting the present outstanding Common capital stock of the Company, namely, 50,000 shares of the par value of \$100 each into 100,000 Common shares without nominal or par value;

"And whereas, for the due carrying out of the objects of the Company it has been deemed requisite to increase the Common capital stock of the Company when converted as aforesaid by an additional 150,000 Common shares without nominal or par value, thereby making the total authorized capital stock of the Company 250,000 Common shares without nominal or par value;

"Now, therefore, be it, and it is hereby enacted as By-law No. 21 of the By-laws of Wayagamack Pulp and Paper Company, Limited:—

"That the Common capital stock of the Company, when converted from 50,000 shares of the par value of \$100 each into 100,000 Common shares without nominal or par value, be then increased from 100,000 Common shares without nominal or par value to 250,000 Common shares without nominal or par value."

(c) To consider, and, if deemed advisable, to pass a resolution ratifying and confirming By-law No. 22 enacted by the Directors of the Company changing the head office of the Company from the City of Montreal to the City of Three Rivers.

By Order of the Board.

E. L. WILSON,

Secretary.

Three Rivers, Que., 28th October, 1920.

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