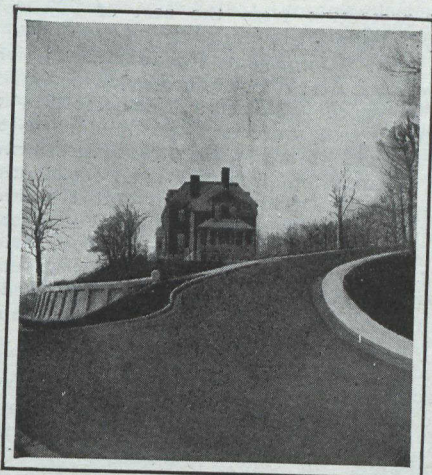


Canadian Good Roads Congress



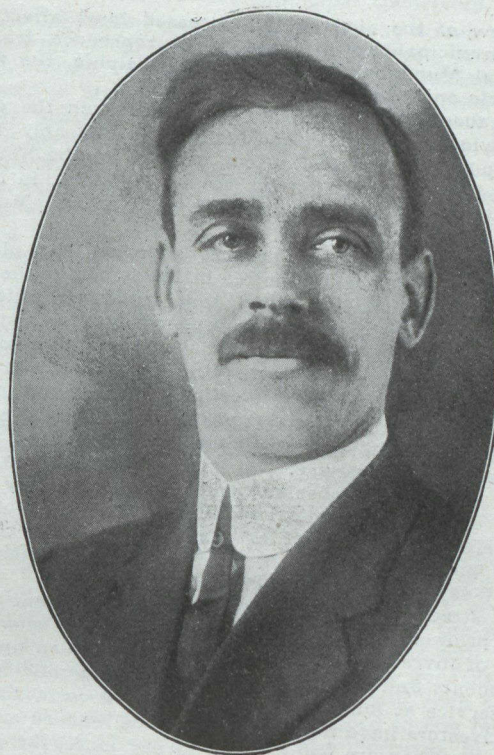
A Well-Built Canadian Road.

Municipal Progress.—(Continued).

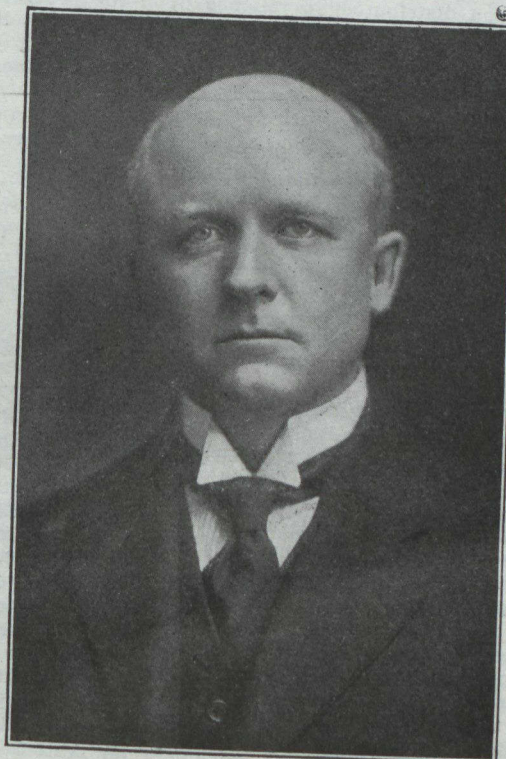
however, will always be farm lands and I think you can feel sure that no hospital district will be allowed to be so small that it will be weak. As you are aware, the Lieutenant-Governor in Council fixes the area and municipal boundaries need not be observed; but it may be taken for granted that no contributing city, town or village, will be divided for hospital purposes. The security on which hospital district debentures will be based can be relied upon as substantial—a fact which the investing public will soon learn. Right here I should like to say some word that would encourage all municipalities, school districts, rural telephone companies and hospital districts, to sell locally all debentures which they may issue. Up until a year or two ago the nature of a bond or debenture was not so generally understood as now. The Victory Bond campaigns were indeed instrumental in acquainting the public as to the advantages of the people's investing in their own securities. In many parts of Saskatchewan there are those who might, to their advantage as well as to that of the community, invest funds in municipal offerings issued right in their midst.

Among other duties the Local Government Board also administers The Sale of Shares Act. Before any company can offer for sale its shares, stocks or bonds in Saskatchewan, it must first secure authority for such action from the Board which makes a close investigation into the strength and standing of the company. In cases where it is found that the shares will not probably yield a reasonable return to their purchasers, approval of the attempted sale of such shares is withheld. You can readily understand what becomes of some wild cat schemes and the fate which awaits the plausible agent who wants to sell to an unsuspecting public shares in some gold mine in far off Timbuctoo, or even in a nearer portion of the globe, when the chance of anyone but the promoter making money is remote. The average person, when approached by a salesman, has neither time nor opportunity to examine fully the financial status of the company concerned. I learn from a Toronto publication that the old province of Ontario is about to pass an Act similar to Saskatchewan's Sale of Shares Act. Laws like these are sometimes termed "blue sky" legislation. Just this week I came across a good definition of this unusual term which I will quote:

"Almost universally the term "blue sky" law is used to describe a special Act framed and operated to protect investors. The term comes from the tendency of so many promoters to issue alleged valuable securities in connection with new corporations which are so deficient in real assets as to lead to the phrase that the company has nothing to sell except the blue sky. The caption "Blue Sky," while somewhat undignified in its nature, is yet so striking and so generally applicable as to be widely employed."



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President, Canadian Good Roads Association.*



*W. A. McLEAN,
Deputy Minister of Highways, Ontario.—A Past
President, Canadian Good Roads Association.*

(For Programme of Congress see Page 122.)