

WESTERN CANADA'S REFUNDING PLAN

London Advices Regarding the Scheme—Manitoba and Saskatchewan Offering This Week

Mail advices are to hand from London this week confirming the statement of *The Monetary Times* two weeks ago that the American Dollar Securities committee has notified that the imperial treasury is desirous, in connection with the arrangements for regulating the American exchange, to purchase Manitoba 4 per cent. debentures of 1949, and 4 per cent. registered stock of 1950, and Saskatchewan 4 per cent. bonds of 1949, and 4 per cent. registered stock of 1951. The price offered in each case is 80, plus accrued interest to the date of transfer to the treasury. It is worth noting that "this offer has not the effect of rendering the dividends on the securities in question liable to additional income tax."

In other words, while the treasury are anxious to obtain both issues, they are not at present prepared to go to the length of penalizing holders who are not disposed to part with their holdings upon the terms offered. With regard to the latter, Manitoba 4 per cent. debentures of 1949 stood at 91 at the end of July, 1914, and marked in the early part of June at 77½, whilst the registered stock was a point higher on the eve of hostilities, and changed hands last week at 81 1/16. Saskatchewan 4 per cent. bonds of 1949 stood at 89 at the end of July two years ago and marked at 80½ a few days ago, whilst the registered stock, which was 88 in July, 1914, last, marked at 78½. Seeing that the treasury prices are plus accrued interest—the latter being, of course, included in the stock exchange prices, and that the transaction is carried out free of cost to the seller—the terms offered are attractive.

Welcomed in United States.

Our London contemporary, "Canada," discussing this matter, says: "It will be of interest to note if this new departure on the part of the treasury is followed up by similar offers with regard to other Canadian provinces, and whether efforts will be made to purchase Canadian municipal bonds. We have been surprised that the American Dollar Securities committee have not earlier turned their attention to this class of investment, especially in view of the way in which American investors have been absorbing them recently. Whether by way of collateral or for purposes of direct conversion, there can be doubt that Canadian provincial and first-class municipal issues would be welcomed in the United States upon terms which in comparison with those now offered should not be to the serious disadvantage of the treasury."

Offering in New York.

The Monetary Times understands that an issue of \$1,000,000 of Manitoba bonds and \$1,000,000 Saskatchewan bonds are being made in the United States this week on a 5.38 per cent. basis. This offering is presumably in connection with the Western refunding scheme, authoritative details of which were printed in *The Monetary Times* last week on page 22.

Bond houses are interested in the rates at which our Western borrowers are likely to raise large amounts in New York to-day. The Dominion of Canada paid a 5.90 rate for its \$75,000,000 loan there. The Anglo-French bonds are selling on the exchange to yield the investor a little better than a 6 per cent. rate on his money, and the new American Foreign Securities Company's bonds, guaranteed by the French government with bonds of neutral countries as collateral, can be purchased to yield 5¾ per cent. What is the width of the market for such bonds as the city of Winnipeg and the provinces of Manitoba and Saskatchewan as compared with the Dominion of Canada?

The subject is discussed in the editorial columns of this issue.

A resolution was unanimously carried by the Life Underwriters' Association expressing strong disapproval of the practice of misrepresentation of policies, companies' ratios, or other agents, of twisting or switching of policies or agents, and urging on the incoming executive the desirability of getting either under the Dominion act, or in every province a clause included in the insurance act whereby such practices should be penalized, and in the meantime that all companies be asked to circularize their agents and managers deprecating the practice.

SAVE FOR THE WAR LOAN

Finance Minister Asks Canadians to Steer Clear of Foreign Offerings

The minister of finance has issued a statement calling attention to the fact that Canadians are being circularized from the United States to purchase foreign government securities issued in the United States for munitions credits. He urges investors in Canada to reserve their funds instead for the forthcoming Canadian war loan. Sir Thomas White points out that on account of our rapidly increasing war expenditure and the heavier demands which the future will make in this respect it is of supreme national importance that the financial resources of Canada should be conserved for our own purposes, and that as much as possible of the national debt should be held in Canada.

Plenty of Capital.

The minister states that there is an abundance of capital in the United States to absorb all issues made in that country, and the allied interest will not, therefore, suffer through Canadians refraining from participation and husbanding their resources to meet their own national needs. Under the war measures act the government has power to prohibit the offering of foreign securities in Canada, as has been done in Great Britain, but has preferred to rely upon the patriotism of the Canadian investing public rather than to adopt repressive measures.

Offering Which Brought Statement.

The bond offering which caused the issue of the Canadian finance ministers statement was that of \$94,500,000 three-year 5 per cent. gold notes of the American Foreign Securities Company, which was organized for the purpose of advancing \$100,000,000 to France. A syndicate composed of twenty banking houses, located in New York, Chicago, Pittsburg and Philadelphia, and headed by J. P. Morgan and Company and Brown Brothers and Company, is making the offering for subscription at 98 and interest, yielding about 5.73 per cent. The notes have been offered in Canada.

LIFE INSURANCE COMPANIES TO HELP WAR LOAN

Mr. J. F. Weston, managing director of the Imperial Life, Toronto, announced during the course of his address at the insurance agents' banquet at Hamilton last week, that the life insurance companies of Canada were preparing to subscribe a larger amount to the second war loan of September next, than they did to the first loan in November last. The amount subscribed last time by the life insurance companies was about \$13,000,000.

COBALT ORE SHIPMENTS

The following are the shipments of ore in pounds from Cobalt Station for the week ended July 21st:—
La Rose Mine, 86,946; Mining Corporation of Canada, 64,980; McKinley-Darragh-Savage Mines, 85,388; Dominion Reduction Company, 88,000; Buffalo Mines, 68,780. Total 394,094 pounds, or 197 tons.

From Temagami—Pyrites Ore—

Rand Syndicate, 159,300 pounds, or 79.6 tons.

The total shipments since January 1st, 1916, now amount to 16,353,577 pounds, or 8,176.7 tons.

JUNE BANK STATEMENT

The Canadian chartered banks' statement for June shows the following changes from the previous return. *The Monetary Times'* complete analysis of the statement will appear in the next issue. The figures are:—

	June.	Change during month.
Demand deposits	\$ 428,117,340	+ \$15,815,850
Notice deposits	767,598,130	+ 2,534,080
Total deposits in Canada	1,195,715,470	+ 18,349,930
Call loans in Canada	86,776,474	+ 19,350,956
Call loans elsewhere	182,757,015	+ 15,666,372
Current loans in Canada	747,470,545	+ 481,222
Current loans elsewhere	60,081,564	+ 8,526,072
Circulation	123,373,395	