UNITED STATES WAR LOAN

Canada Will Probably Get a Share of It—Details of Bill

Without a dissenting voice, the House at Washington last week passed the bill providing for a $7,000,000,000 war loan. The Senate ratified it during the current week and it is expected that President Wilson will sign it to-day.

The bill as reported provides for an issue of $5,000,000,000 in bonds and $2,000,000,000 in certificates of indebtedness, the latter to be redeemed within one year. Both bond and certificates bear 3½ per cent. interest. Bonds heretofore authorized but not sold for the acquisition of the Danish West Indies, the construction of the armor plate and nitrate plant, the Panama Canal, the speeding up of the naval construction, the Alaskan railway and the Mexican mobilization, at an interest of 3 per cent., can be converted into 3½ per cent. bonds. Under the terms of the bill the president and the secretary of the treasury are absolutely unhampered in making a loan of $3,000,000,000 to the allies, as the securities to be purchased are not stipulated. The president is only to acquire "the obligations of foreign governments" in an amount not to exceed $3,000,000,000.

Additional Bond Issue.

The bill also authorizes an additional bond issue not to exceed $63,945,460 to redeem the 3 per cent. loan of 1908-1918, maturing August 1, 1918. The remaining bonds specified in section four of the bill are already authorized by law.

"Your committee," said the report, "deemed it advisable to authorize the $5,000,000,000 bond issue at this time in order to enable our government to extend liberal credits and in order to provide immediately ample funds to meet such expenditures as are authorized for national security and defence."

After stipulating that the interest rate on the bonds shall not exceed 3½ per cent., the report explains that the terms and denominations of the bonds are left in the discretion of the secretary of the treasury. If, in subsequent issues, it is necessary to increase the interest rate, the bonds of the present series are convertible into bonds bearing the higher rate.

"The secretary of the treasury," continues the report, "at the present time has authority to issue $472,000,000 worth of bonds; $222,000,000 worth are still available to be issued under the Panama Canal bond provision of the revenue act of August 5, 1909. The revenue act of March 3, 1917, authorizes the issue of $100,000,000 worth, and the public resolution of March 4, 1917, authorizes the issue of Panama Canal bonds for the construction of the nitrate plant. The shipping act likewise authorizes the issue of Panama Canal bonds for the purpose of that act."

Not to be Met by Taxes.

It authorizes the purchase with the proceeds from the sale of these bonds, by the secretary of the treasury, with the approval of the president, of the obligations of foreign governments bearing the same rate of interest and containing essentially the same terms and conditions as the bonds issued under authority of this act.

"It is provided, however," continues the report, "that should any of the bonds of the United States issued and used for the purchase of such foreign obligations be converted into United States bonds bearing a rate of interest higher than 3½ per cent., that in that event the obligations of the foreign governments held by the United States shall be converted into obligations bearing the same rate of interest as the same bonds of the United States. It will therefore be observed that the $3,000,000,000 credit proposed to be extended to foreign governments will take care of itself and will not constitute an indebtedness that will have to be met by taxation in the future."

The issuance of $2,000,000,000 in certificates of indebtedness is recommended to the end that a proper balance may always be maintained in the treasury. These certificates are payable in one year and will be redeemed out of the revenue to be raised by the forthcoming tax bill.

Debt of United States.

The report says in conclusion: "The total interest-bearing debt outstanding February 28, 1917, amounted to $973,000,000. Under existing law, $472,000,000 worth of bonds are available to be issued. This bill authorizes, in addition to the bonds already available to be issued under existing law and exclusive of the $3,000,000,000 bond issue to extend credit to foreign governments which takes care of itself, the issue of $2,000,000,000 worth of bonds. Should this amount of bonds be issued, the total interest-bearing indebtedness, exclusive of the $3,000,000,000 credit to foreign governments, will amount to $3,445,000,000."

None of the funds will be loaned to nations other than the allies and no loans are to be made to the allied countries from this war loan after the war.

If the United States places $3,000,000,000 to the credit of the allies in that country, their loans to belligerents will be increased from the present total of $2,213,575,000 to $5,213,575,000.

Canada's Participation.

The New York Journal of Commerce says: "Among loans most discussed after the successful flotation of the French loan were loans to Canada, Great Britain and Italy. Each of these countries will need additional credits to finance their enormous purchases. If Congress adopts the administration plan the United States government will make available a fund of $3,000,000,000, which may be utilized to purchase obligations of foreign allies. In such event the governments of Britain, Canada and Italy would be enabled to obtain funds at a 3½ per cent. rate instead of the normal market rate for their own bonds of between 5 and 7 per cent."

RECENT FIRES

The Monetary Times' Weekly Register of Fire Losses and Insurance

Belleville, Ont.—April 11—Evaporating plant of Graham Company, Limited. Loss, $300,000. Insurance, $128,000 with Lloyds. Cause unknown.

Charlottetown, P.E.I.—April 13—Riley Building, occupied by Messrs. L. B. and D. J. Riley and Auld Brothers. Loss, $40,000. Insurance, Auld Brothers' stock was insured as follows; $24,000 in British-American General, Continental, Caledonian, Quebec, Yorkshire and Home companies, about equally divided, and $5,000 in the Palatine. The Riley building and Messrs. Riley's stock insurance building: $9,500 in the General, Fidelity, Phœnix and Quebec companies; $1,500 in Phœnix, $1,000 in Queens, $3,000 in Royal. There was $4,500 on the building and stock in the Acadia, $1,500 on stock in the Atlas.

Guelph, Ont.—April 17—Mr. J. Adams' boathouse. Loss, $200.

Ingersoll, Ont.—April 13—Mr. W. Garner's barn, Harris and Cherry Streets. Loss, $800.

Kitchener, Ont.—April 11—Mr. Burg's residence, 16 Wipper Place. Cause, incendiary.

London, Ont.—April 1—Hospital for insane. Cause, supposed rats.

Newtonbrook, Ont.—April 18—Residence owned by Dr. Winnett, Toronto.

Montreal, Que.—April 2—Factory Waste and Metal Company's building, Wellington and Colborne Streets, Montreal, occupied by J. R. Walker and Company, Factory Waste and Metal Company, Dominion Machinery Supply Company and H. Muhelstein. Loss, $10,000.

Petrolia, Ont.—April 17—Mr. G. Jackson's barber shop.

Port Hope, Ont.—April 12—Mr. T. R. Dale's residence. April 13—Mr. R. Langstaff's barn and threshing outfit in Hope Township.

Toronto, Ont.—April 16—Hortop Milling Company, 444 Dufferin Street. Loss, $4,000. Ward's Hotel. Loss, $2,000.

Vancouver, B.C.—April 13—Hazelwood Hotel, Hastings Street.

Woodstock, N.B.—April 11—Mr. J. Atherton's residence, Connell Street. Loss, $4,000. Insurance, $1,600.

The Quebec Cement Company, Limited has increased the number of its directors from three to five.

At a sale of pure bred stock held at Edmonton recently, 81 Shorthorns sold for $15,500, an average of $191 per animal.