

BANK LOANS ABROAD

Premier Sifton, of Alberta, is reported to have made the statement in an address at Vancouver, that in times of crisis such as the present, the banks have found that they could not call in their funds abroad. This statement is frequently made but is quite incorrect. While, for example, a certain Toronto editor was penning it shortly after the outbreak of war, several millions of the banks' funds were being brought back from New York, with the result that the editor had to add a significant postscript to his article. When war broke out, call loans abroad totalled \$125,545,287. Before a month had passed \$29,000,000 of these had been brought back to Canada. By November last year, they had been reduced from \$125,000,000 to \$74,000,000. Legitimate business in Canada seldom calls in vain for bank accommodation.

Mr. Sifton also seemed to scorn the necessity of a bank's assets having to be kept in a liquid form. He mentioned this in regard to the possibility of a run upon banks. "Since when has anyone heard of a run on a Canadian bank?" he asked. At the outbreak of war, when finance and credit were paralyzed and confidence was blown by the four winds, Canada was as near to a serious run on bank deposits as it has ever been. Only by immediate action on the part of the government and bankers in framing emergency measures, was this disaster averted. Liquid assets played no small part in that incident.

GAS AT MONTREAL

One of the sure signs of rapidly accumulating funds is the appearance of literature which promises the investor wonderful performances. The Union Securities, Limited, of Montreal are the fiscal agents for a development company which plans to do, with natural gas and maybe oil, surprising things in the Montreal region. A pamphlet which bears the name of this securities company enjoins one to listen because "this is not a fantasy, this is not a dream," for "there are remarkably good reasons why such an event as the striking of an oil gusher should materialize," about 33 miles from Montreal. The pamphlet in question bulks large with estimates, "woulds," "shoulds," "mays" and "mights."

The *estimated* capacity of three producing wells of natural gas is 10,000,000 cubic feet for 24 hours. An oil gusher "may be located at any time in the district." The fourth well, now drilling, "may be the one (to gush) and create the stampede." But as the pamphlet says, "This is anticipating." Still, "these gas and oil fields *may* be a most historic and remarkable event for Montreal," and perhaps "the biggest thing the city of Montreal has ever been presented with." The italics are ours.

To give a fillip to the sale of stock, apparently, the Union Securities, Limited, has already had a raffle for a \$25 cash prize. This went to one of the folks who obtained a numbered booklet describing an enterprise so replete with possibilities and so interestingly described.

Evidently the Union Securities, Limited, is able to tell when they expect the stock of the Natural Gas, Light, Heat and Power Company, Limited to rise. Postcards may be sent to the Union Securities, Limited, reading: "Please send me further data you may have about the natural gas wells near Montreal, present price of stock, and when you expect the stock will increase in value." *The Monetary Times* has an inborn suspicion of companies which can predict when stock prices will rise to a

certain level. Some companies can tell even at what hour on a certain day the stock will rise to a certain figure!

The literature being circulated respecting the company and the things it *may* do is as gushing as the gas wells are hoped to be. The company at present is handling natural gas, just gas.

BUYING A WAR BOND

There will be peculiar gratification in holding a Canadian war bond. The opportunity will come at the end of the month. It will be available equally to the man with a hundred dollars for investment and to the big corporation. There will be no middleman. The government will sell its bonds direct to all applicants. The bonds will be purchaseable by instalments and that still further facilitates a substantial response from the so-called small investor who, in the aggregate, can do great things. In buying a Canadian war bond we are lending money to our own government to help finance Canada's share of the Great War. At the same time, we relieve to that extent the tremendous financial burden placed upon the Imperial government in financing its own war operations, those of some of the Allies, and of the business of certain neutrals. The first impulse to purchase is naturally a patriotic one. Money has been donated in millions of dollars for purposes connected with the conduct of this war. Now the Dominion government will ask for the loan, not the gift, of money for the prosecution of its share of the struggle. For that loan it will pay an attractive rate of interest. If the loan is for \$50,000,000 it will be oversubscribed with ease. Indeed, were it necessary, *The Monetary Times* has no doubt that four times that amount could be subscribed without difficulty.

BERLIN AND C.P.R. STOCK

The New York Post suggests that the foreign selling of Canadian Pacific Railway stock is indirectly for Berlin holders. It says: "For a time Canadian Pacific was the market's strongest railroad stock. In spite of reports of European selling, foreign houses are the heaviest borrowers of Canadian, which rules flat in the loan crowd. Most of this foreign borrowing is by brokers representing important Amsterdam bankers, and is supposed to be against sales of stocks expected to arrive from that place. The impression prevails that this selling is indirectly, at least, for Berlin holders, who find a primary market for their shares in Amsterdam. Foreign selling of other issues has been large only at infrequent intervals, and consignments by recently arrived American steamers amounted to only moderate sums."

The selling of Canadian Pacific stock from Berlin can hardly be of any great volume. In August last, Germany held only 5.33 per cent. of Canadian Pacific common stock, and it is unlikely that any further holdings have been secured since then. In January, 1911, and June, 1913, French and German holdings together were 15 per cent. The German holdings could safely be averaged at 7.50 per cent. for those years. This figure was reduced last August to 5.33 per cent. Between January, 1911, and the outbreak of war, *The Monetary Times* has excellent reason for believing that German holdings had risen as high as 40 per cent. Three days after the war broke out, *The Monetary Times* stated that this figure had dropped to 5 per cent. That was subsequently confirmed by the figures which Sir Thomas Shaughnessy sent us.