

## CANADIAN PACIFIC RAILWAY BOND ISSUE

## Important Financing to be Authorized by Shareholders on May 2nd

The proposed issue by Canadian Pacific Railway of collateral trust bonds, based on securities of the company and its subsidiaries, which have been, or will shortly be, mobilized by the British treasury at London, will be for an amount of from \$100,000,000 to \$200,000,000. The company's shareholders will be asked to ratify the proposal at the annual meeting on May 2nd. Under this collateral trust issue, the Canadian Pacific Railway would purchase from the British government the company's securities which have been mobilized by the government, issue its own bonds against them and with the proceeds of their sale to United States bankers pay the British government in dollars at New York, thus adding to Britain's resources for meeting its obligations in connection with war purchases there. The British treasury would be relieved of the difficulty of disposing, from time to time, the many different securities. In this one transaction will be carried out what would otherwise take months of negotiation at considerable cost. The issue will add nothing to fixed charges, as the interest on the securities will at least offset the interest on the new bonds.

## Purchases by Government.

A substantial total of Canadian Pacific sterling bonds outstanding in England has been taken over by the British treasury under the mobilization scheme. The holders have endorsed their bonds for sale and accepted treasury certificates bearing  $\frac{1}{2}$  of 1 per cent. higher interest in payment. These bonds have been used by the government for collateral pledged under loans made in the United States, but they have not been readily saleable, owing to their issuance in sterling denomination. Arrangements have been made by the British treasury with the Canadian Pacific Railway Company with a view to the sale of from \$100,000,000 to \$200,000,000 of new railway dollar bonds in New York. The government will probably reimburse the company for the higher rate of interest it may be necessary to pay to effect the substitution of dollar bonds for those now outstanding.

## Attractive to Investor.

American bankers say that this financing will be a success. The investor will have the advantage of buying one security, such as the proposed collateral trust bond, secured by diversified stock and bond issues and backed up by the general credit of the Canadian Pacific Railway, rather than many issues of varying merit and unfamiliar to most investors on this continent. Some of these, too, would be sterling issues, practically unsaleable in the United States, and not considered desirable even as collateral.

The transaction would also be of advantage to the company, which would benefit by purchasing the securities at prices temporarily depressed by war financing. It would also secure control of a large amount of securities which would otherwise pass from British to United States hands. That the control of such an enterprise as the Canadian Pacific Railway should remain in the British Empire is a very important consideration.

The company's fiscal year has been changed by law to end December 31st, instead of June 30th. The change is in conformity with the practice now generally adopted in the United States, under the regulations of the Interstate Commerce Commission, of making the fiscal year of railway companies correspond with the calendar year.

## ALBERTA LOAN ACT AMENDED

The Alberta farm loan act has been amended to increase the maximum individual loan from \$3,000 to \$5,000. A section making all funds, property and assets forever free of taxation was deleted by the government, the contention being that the scheme must develop a sound commercial basis, and must carry all charges of such a business.

Mr. A. M. Nanton, of Messrs. Osler, Hammond and Nanton, Winnipeg, has been elected to the directorate of the Guarantee Company of North America.

## TO DEVELOP TIMBER LIMIT

The Grain Growers' Grain Company have planned to build a lumber mill, costing practically \$150,000, upon a timber limit sixty miles east of Fort George, B.C., on the Grand Trunk Pacific Railway. The company has owned the timber limit since 1913, but up to the present has taken no active steps toward utilizing it. The company has been conducting a lumber business, however, for several years. This year the grain growers plan to mill and manufacture their own lumber and supply the farmers direct. The new mill, plans for which are now completed, will have a capacity of 20,000,000 feet of lumber a year.

## WAMPUM AND KING'S GOLD

"From Wampum to King's Gold," was the subject of an interesting address given recently by Mr. H. S. Seaman, of Clare Brothers Western, Limited, before the members of the Winnipeg division of the Credit Men's Trust Association. In the olden days, wampum—little rings of bone—were so much a part of the institutions that they had an authorized value, equal to about one cent each and blue ones of the same dimensions, of two cents. Wampum was authorized and its value fixed from very early times in the transactions passing between the Europeans, French, Spanish, Portuguese or English and the natives. In the course of time, however, it was found not to work out, as the natives seldom if ever wanted wampum. They had their eye on the powder or salt, the calico or the blanket, the gun or the rum, in exchange for whatever they had to offer, and thus the wampum would become a drug on the market and of little or no use to the trader, in whose hands it was most apt to accumulate. In the year 1670 the authorities in French Canada therefore formally denominatized wampum.

Mr. Seaman traced in a very interesting manner the various things used as currency from time to time including card money, the liability for which in 1759, five weeks after the fall of Quebec, the French government repudiated.

Mr. Seaman also recalled that the Canadian branch of the royal mint has demonstrated Canadian loyalty in a new way by minting nearly 400,000 British sovereigns, and thus providing British gold for shipment to New York, to the credit of the mother country, the actual gold never having crossed the ocean.

## CANADA'S BANK CLEARINGS

The following are the returns of Canada's bank clearing houses for the weeks ended March 29th, 1917, and March 30th, 1916, with changes:—

	Week ended Mar. 29, '17.	Week ended Mar. 30, '16.	Changes.
Montreal .....	\$ 67,001,825	\$ 55,474,197	+ \$11,527,628
Toronto .....	49,102,167	37,162,673	+ 11,939,494
Winnipeg .....	39,552,308	23,776,743	+ 15,775,565
Vancouver .....	6,241,856	4,478,663	+ 1,763,193
Ottawa .....	4,319,258	3,656,674	+ 662,584
Calgary .....	5,463,782	3,209,793	+ 2,163,989
Hamilton .....	3,965,061	3,284,004	+ 681,057
Quebec .....	3,667,333	2,555,608	+ 1,111,725
Edmonton .....	2,270,470	1,940,379	+ 330,091
Halifax .....	1,918,199	1,556,784	+ 361,415
London .....	1,812,655	1,699,957	+ 112,698
Regina .....	2,612,847	1,548,528	+ 1,064,319
St. John .....	1,995,298	1,284,982	+ 710,316
Victoria .....	1,420,490	1,045,857	+ 374,633
Saskatoon .....	1,640,484	867,346	+ 773,138
Moose Jaw .....	1,101,300	710,110	+ 391,190
Brandon .....	441,035	436,257	+ 4,778
Brantford .....	667,713	530,648	+ 137,065
Fort William .....	398,510	351,348	+ 47,162
Lethbridge .....	608,101	395,931	+ 212,170
Medicine Hat .....	528,946	294,717	+ 234,229
New Westminster .....	235,521	178,032	+ 57,489
Peterboro .....	468,790	433,603	+ 35,187
Sherbrooke .....	891,835	523,633	+ 368,202
Totals .....	\$198,415,784	\$147,486,467	+ \$50,929,317
Kitchener .....	494,610		