

SESSIONAL PAPER No. 79

ORDER OF THE HOUSE, dated March 2nd, 1920, for a return showing:
 "FULL PARTICULARS OF ALL TRANSACTIONS IN CONNECTION WITH THE
 PAYMENT OF DEBENTURES, SERIES "K," DUE FEBRUARY 1st, 1920, ESPECIALLY SHOWING WHETHER PAYMENT WAS MADE IN NEW YORK FUNDS OR CANADIAN FUNDS."

TREASURY—8-3-20.

Debentures of the Province, Series "K," were issued by the late Government on the 1st of February, 1915, for the sum of \$5,475,000.00, and made payable on the 1st of February, 1920, in the Union Bank of Canada, Montreal, Toronto or Winnipeg, or at the National Park Bank of New York, City of New York.

So far as we know all of these debentures were sold through the New York market, and were payable there in New York funds.

When these debentures were maturing, and it was practically certain that difficulties were liable to arise in connection with the flotation of a new issue, the Provincial Treasurer visited the Eastern cities of Canada, and New York City, and came to the conclusion that the New York market could not absorb the full amount of securities which had been issued by the Province and were due there on the 1st of February, amounting in all to \$6,498,000.00.

The Government thereupon decided to call for tenders issue debentures early in the year for \$4,000,000.00, which issue was so sold to the Merchants Bank of Canada and associates at 102.81 Canadian funds, or 94.76 New York funds, and the exchange to make up the net amount, \$4,000,000 in New York funds, was forwarded from Winnipeg.

This left still to be taken care of \$2,498,000.00, and the Provincial Treasurer offered this amount for sale in the Canadian market, and eventually concluded, when on his way to New York, an arrangement with representatives of Canadian firms for a sale of this amount at 93.45 per centum, and accrued interest (American funds), or 101.85 Canadian funds less exchange at 9 per centum of the net amount; but owing to a very technical objection made by the solicitor for the firms and no doubt to the fact that the market was falling this sale fell through.

A temporary arrangement was then made with the Union Bank of Canada in New York to pay the amount, and the Provincial Treasurer promised to arrange for the refund of the amount to the Union Bank of Canada within six days, and a further arrangement was then made with the Merchants Bank of Canada to carry the said amount up to the 15th of March. In the meantime an arrangement had been made with the banking house of J. P. Morgan & Company of New York, to take an issue of Province of Manitoba debentures bearing interest at six per cent. per annum, payable in ten years, and to offer the same to the New York market at 94.61 per centum of par and accrued interest, American funds, less a commission of two and one-half per cent. of the amount of the loan. Interim debentures have been issued for this amount, and are now in the hands of J. P. Morgan & Company, and the sale is proceeding, engraved bonds are being prepared and will be forwarded to exchange for the Interim bonds.

No. 28,945.

On the recommendation of the Honourable the Provincial Treasurer
 Committee Advise:

That the Provincial Treasurer be and is hereby authorized to sell to the Dominion Securities Corporation Limited and Messrs. Wood, Gundy and Company, both of Toronto, debentures of the Province, Series "L," amounting to one million dollars (\$1,000,000.00) dated October 1st, 1915, and maturing October 1st, 1920, bearing interest at the rate of five per centum per annum, at the price of ninety-six per cent. of par and accrued interest less two points as an underwriting charge, said bonds to be delivered through the Merchants Bank of Canada in Toronto and the proceeds paid in said bank for the credit of the Province.

CERTIFIED:

P. WHISTLER,
 Clerk of the Executive Council.

Winnipeg Man.
 January 25th, 1918.

(The Honourable Mr. Johnson in the Chair)