

# NEWS AND COMMENT FROM THE FINANCIAL WORLD

## TRADE REPRISAL BILLS OF AMERICAN CONGRESS SEVERELY CRITICISED

Measure Steeped in Political Expediency and Unjustifiable—Some Plain Talk from an American Business Man.

Bach's Review in its labor issue says:

"We have done nothing to deserve any consideration from the nations of England, France, Russia and Italy, in the great commercial contest which is coming after the war. We have, in fact, done much to incur their righteous disapproval of us. It is nations who are fighting the war for world's civilization, that our great prosperity has come."

"When we consider how little trouble we have had in dealing with these people who are taking from us at a great profit millions of dollars' worth of manufactured and commoditized every day, it is beyond comprehension that such reprisal measures have been introduced and considered at Washington as were attached to the Revenue bill."

"That such action is steeped in political expediency is small excuse—in fact, no reason."

"As referring to these measures, the Hamilton Spectator, Canada, points out their political character, and says: 'But these are days when dispassionate politicians are ready to propose anything, and a complaisant Congress is ready to help them out. After November, President and Congress will be prepared once more to act as rational statesmen.'"

Americans in Disfavor Abroad.

A prominent business man, who has just returned from England and France, speaks of the feeling entertained for Americans by English business men and others of the more successful classes, as being extremely unfavorable. He says:

"Various things have brought this feeling on the part of Englishmen. Primarily there is the conviction on their part that we are only concerned in making money out of the war, that we are out to gain the utmost in profits, first, last and all the time, and that we have not hesitated to take the fullest advantage of England's necessities. Many, of course, believe that in keeping out of the war we have chosen the ignominious course, and however strange this view may appear to us, it nevertheless is held by a considerable portion of the English people."

"It is not, after all, the individual action of the American people which has so hurt England. It is the course of government action and expression. Of this, the American business man, who is quoting, says: 'What has most angered these people perhaps is the attitude of some of our public officials. When President Wilson, for instance, in one of his speeches referred to Europe as being 'war-mad' he aroused a storm of resentment in England. Every warning nation in Europe feels that it is involved in a war of such a solemn and sacred character, and so when they read of our public men referring to them as being simply 'war-mad' they are conscious of having been offered an affront of the most serious nature."

"After visiting England it is hard to understand how any public man can so miss the viewpoint of Europe. The terrible seriousness of the people, their wholehearted consecration to the needs of their country, are very far from being a state of war-madness. To be in this atmosphere for a few weeks and then to return to America, where everyone seems absorbed in his own small personal affairs, where little or no serious thought is being given to the terrible issues involved in the war, and the part we are to play in the world when peace comes, is to make one tremble for the future of his country."

"One feels that all is not well with our country; that at some date not far in the future we shall be confronted with mighty issues, and that we shall be poorly equipped to meet them."

The English people see clearly what is expressed in an editorial in the New York Tribune concerning the victory of the Marne.

"Many generations, not alone of Frenchmen, but of Americans, of the sons of all nations who love and serve democracy, will rejoice that two years ago the soldiers of Manoury and Foch and D'Esperey prevailed. A thousand years from now men may go to the battlefield of the Marne as they go to Marathon, to see the ground on which the victory of civilization over barbarism guaranteed to them the benefits and glories which have become a part of the heritage of all mankind. The time has not yet come when the mass of American people can appreciate what France did for us all at the Marne, or understand the true character of what was for us all the peril of this German storm, now at last happily abating."

"German victory at the Marne might not immediately or sweepingly have changed the frontiers of Europe or of America. It might, not at once or ultimately have established Prussian overlords in the capitals of the world. But it would have established the Prussian doctrine and the Prussian gospel. It would have abolished those laws and those rights to which we have come to cling. It would have turned us from the doctrines of the

## BOND HOUSES AND BROKERS PROFIT BY EXPERIENCE OF FIRST CANADIAN LOAN

Had Details of New Loan in Ample Time to Get in Touch with Prospective Customers and also have List of Individuals Hitherto Unknown to Bond Organizations who were Subscribers to First Loan—Actual Cost of the Bond

Bond houses and brokers—and the Ottawa authorities for that matter—have benefited by the experience gained in the sale of the first domestic issue last fall. A direct consequence of unusual vigor and breadth has been in progress for some days, and indirect canvass for some weeks. Recognized investment houses were placed in possession of copies of the prospectus, duly stamped with their names, on Saturday last, and these by mail so as to reach their investing clients, in some cases before, in others concurrently with, the opening of the subscription lists. Last autumn the details of the loan were valuable only at the last minute and valuable time was lost in starting the canvass.

A further factor of advantage in the present issue on which a good deal of importance is laid, is this: Thousands of individuals, hitherto unknown to bond organizations as investors, were subscribers for the first loan; their names were duly added to office mailing lists. In the six months following the offering of the first loan there was also a steady demand for the bonds from another new body of investors, who for one reason or another held off from the original subscription. All investment offices are therefore starting off with a vastly increased fund of information as to where the bonds may be sold as compared with what was available a year ago.

The educative value of the first loan is also looked to as a point of assistance for the new loan. Probably a small means cashed their first bond coupon on May 1st last, when the first interest payment was made on the 1915 loan. They were of the class that is content to deposit their savings in a chartered bank, draw their three per cent. interest, and leave bond investment to the more wealthy—they might consider—the more venturesome. It is reasonable to believe that a large proportion of these have been converted to the idea that lending their money to the Dominion government at 5 1/2 or 5 3/4 per cent. is both profitable and safe. And their views in that respect have probably spread through their own immediate circles.

Actual Cost of Bond.

Close figuring as to what the actual cost of the bond will be to the investor who makes his first payment by September 23rd, the date when the lists close, and elects to pay the balance on the regular installment dates, converged fairly closely on \$970.09 for a \$1,000 bond.

Calculating the interest yield offered by the loan as 5 1/2 per cent.—it is a little higher around 5.30 per cent.—the installments on \$1,000 bond will earn by April 1st, when the first coupon of \$25 is due, \$19.96. The interest that the government will pay over and above what the investor's money should be earning is, therefore, \$5.04. Allowing that this \$5.04 has been counted in when calculating the interest yield, the net cost of the bond is \$970.09.

man kindness and gentleness straight back to the customs of the savage, and of the savage who not only lived without pity, but knew no restraint in honor or the pledge of faith."

And then, in defense of the reprisals against England, we read in our newspapers citations about the "sacred duty of maintaining the rights of United States and its citizens and of safeguarding their free exercise and enjoyment." And, meantime, half of the world is going to places in the greatest cataclysm of war that ever happened in history. We are like a man whose neighbor's house, right next door to his, is burning up, and who orders the firemen to keep off his front lawn.

The sounder element in the House and Senate has eliminated a large part of the retaliatory provisions of the Revenue bill amendment, after a hot debate in which Mr. Gardner and others very plainly told his colleagues and the country what the animus was and scored the "hypocrisy of Congress."

"German victory at the Marne might not immediately or sweepingly have changed the frontiers of Europe or of America. It might, not at once or ultimately have established Prussian overlords in the capitals of the world. But it would have established the Prussian doctrine and the Prussian gospel. It would have abolished those laws and those rights to which we have come to cling. It would have turned us from the doctrines of the

interest earned from September 23rd, its discounted value on that date would be \$4.91. That amount deducted from the \$975 nominal cost of the bond leaves \$970.09 as the net cost, which according to the bond tables for a 5 per cent. 15-year issue, gives a yield to maturity of about 5.30 per cent. The calculation is summarized below:

Due Date.	Payment	date	at 5 1/2
Sept. 23.....	\$100	189	\$2.72
Oct. 1.....	300	166	7.16
Nov. 15.....	300	186	5.89
Dec. 1.....	275	108	4.19
Total interest earned.....			\$19.96
Coupon April 1st.....			\$25.00
Interest paid but unearned.....			\$5.04
Value of that interest, Sept 23.....			\$4.91
Cost of bond nominal.....			\$975.00
Less unearned interest.....			4.91
Net cost of bond.....			\$970.09

How Subscriptions May Go.

Opinions continue to differ considerably as to how subscriptions classified among institutions, industrial corporations, big investors and small investors will compare with those of last autumn. The insurance companies, it is believed, are prepared to take more; the industrial corporation subscription will show some wide variations. Some companies subscribed to the limit of their capacity last autumn, and if they had not since disposed of their bonds may not be able to take on more. Others sold and are ready for the new loan. And from the munition companies in particular an unusually large subscription is being looked for as compared with the other loan.

Cash has been heaping up in the treasuries of the latter companies in recent months. Most of them are averse to making increased dividend distributions or any at all. They can, in cases, stave off the demand for dividends by performing the patriotic duty of subscribing to the loan—at the same time doing themselves and their shareholders a better turn than they would by paying out dividends. It will be a big thing for corporation finance if the loan opportunity alters the status of some of these big companies from that of borrowers to investors. A large number of these companies have been anticipating future sinking fund requirements by buying in their own bonds. As the war loan bonds will be the virtual equivalent of cash, some companies, no doubt, will buy into the loan now and hold the bonds against the maturity of their own obligations.

As to the private investors a large proportion of the wealthier and more far-seeing sold the bonds of last year's issue, and at a good profit, in the spring, reserving the proceeds for the present issue which they know was coming. The small investor, as was the case with the last loan, is a very uncertain factor, but for reasons outlined in the foregoing, it is expected that he will contribute a full share to a success that should outdo that of the \$100,000,000 subscription of last November.

## NEWS SUMMARY.

(McDOUGALL & COWANS.)

Bank of England discount rate unchanged, 8 p. c.  
Chicago Great Western first week Sept. Inc. \$35,800; July 1, Inc. \$405,600.  
Government consumption report on cotton at ten a m.  
Third Ave. Railway Co. and Second Ave. line to be re-arranged and proposed by public service commissioners and mayor.  
Transit companies running more cars daily.  
Lackawanna Steel Co. resumed dividend on common by ordering a 6 p. c. disbursement in four quarterly installments.  
12 industrials 146.36 up 6.24, 20 railroads 106.21 up 20.  
D. J. & CO.

## ABITIBI PAPER MILL RUNNING AT CAPACITY

Arrangements now being Made to Extend the Capacity of the Plant to 400 Tons per day.

Special to The Standard.  
Montreal, Sept. 14.—Abitibi Power and Paper has fully recovered from the inconvenience of the fire which swept the neighborhood of Iroquois Falls some time ago, and for the past two or three weeks has been running its paper plant to capacity, or at the rate of 225 tons a day.

The success of the company has warranted the management in making arrangements to extend the plant to a capacity of 400 tons per day, and the sulphite plant to a capacity of 125 tons per day, which will be accomplished next spring. The paper mill extension will take some time longer. The company is in a sound financial position, having suffered no financial loss, and only temporary manufacturing inconvenience from the forest fire.

## TRADING AMOUNTED TO 1,750,000 SHARES

(McDOUGALL & COWANS.)  
New York, Sept. 14.—Today there has been a very active irregular market, generally strong. The controlling speculative factor is the discounting of a Republican victory at the polls in November. The public are in the market to a very great degree. As yet the movement shows by its vitality that it is not near the culmination point. Speculative buying has started and will undoubtedly carry the market considerably higher. Such movements always run to considerable extent and this one should culminate some time prior to election always barring unexpected developments of importance. Transactions amounted to 1,750,000 shares today. It is a long time since we have had so large a market. The money market gives indications of working close, but this is usual at this time of the year without a largely increasing speculative account.  
Sales—1,751,300. Bonds, \$3,701,000.  
E. & C. RANDOLPH.

## ANOTHER SHIPMENT OF GOLD TO NEW YORK

Special to The Standard.  
New York, Sept. 14.—Gold to the amount of \$10,000,000 arrived from Canada yesterday and was deposited in the assay office for the account of

## A DULL SESSION ON LONDON EXCHANGE

British Gilt Edge Securities Declined a Fraction—Large Applications for Treasury Bills—Discount Rates Steady.

Special to The Standard.  
London, Sept. 14.—Business was slack on the stock exchange today and British gilt edged securities declined a fraction from lack of support. South American issues, especially Peruvians, were steadily supported, and a good deal of money was invested in industrial and rubber shares, but there was no feature anywhere. American shares were quietly steady around parity.

Large applications for treasury bills are taking funds off the money market. Discount rates were steady.  
J. P. Morgan and Co. This brings shipments for the present week to \$15,000,000; for the present month to date to \$55,000,000, and for the present movement, which began May 11, to nearly \$285,000,000.

## CLEARINGS OF THE CANADIAN BANKS

Special to The Standard.  
Montreal, Sept. 14.—Local bank clearings for the week ended today show a substantial improvement over last week, the total figures being \$70,466,266 against \$60,680,178 last week, an increase of \$9,776,088. Clearings for the week just closed are also well in advance of the corresponding week last year, when the figures were only \$48,853,942 and compared with \$48,999,937 in 1914.

St. John.  
The bank clearings for the week ending 14th September, 1916, amounted to \$1,523,822. Corresponding week last year, \$1,574,301.

Halifax.  
Halifax, Sept. 14.—Halifax bank clearings for the week were \$2,390,163, and for the corresponding week last year, \$2,081,882.

Toronto.  
Toronto, Sept. 14.—Clearings of Toronto banks for the week ended today, with comparisons, were: This week, \$44,960,068; last week, \$59,867,004; a year ago, \$32,372,448; two years ago, \$37,005,354.

President of Steel Corporation speaking at Pittsburgh says year 1917 will see blast furnaces and steel works in this country operating at capacity.

## WAR LOAN

### DOMINION OF CANADA

Issue of \$100,000,000 5% Bonds Maturing 1st October, 1931.

PAYABLE AT PAR AT  
OTTAWA, HALIFAX, ST. JOHN, CHARLOTTETOWN, MONTREAL, TORONTO, WINNIPEG,  
REGINA, CALGARY, VICTORIA.

INTEREST PAYABLE HALF-YEARLY, 1st APRIL, 1st OCTOBER.  
PRINCIPAL AND INTEREST PAYABLE IN GOLD.

### ISSUE PRICE 97 1/2

A FULL HALF-YEAR'S INTEREST WILL BE PAID ON 1st APRIL, 1917.  
THE PROCEEDS OF THE LOAN WILL BE USED FOR WAR PURPOSES ONLY.

The MINISTER OF FINANCE offers herewith, on behalf of the Government, the above named Bonds for subscription at 97 1/2, payable as follows:—

10 per cent on application;  
30 " " 16th October, 1916;  
30 " " 15th November, 1916;  
27 1/2 " " 15th December, 1916.

The total allotment of bonds of this issue will be limited to one hundred million dollars exclusive of the amount (if any) paid for by the surrender of bonds as the equivalent of cash under the terms of the War Loan prospectus of 22nd November, 1915.

The instalments may be paid in full on the 16th day of October, 1916, or on any instalment due date thereafter, under discount at the rate of four per cent per annum. All payments are to be made to a chartered bank for the credit of the Minister of Finance. Failure to pay any instalment when due will render previous payments liable to forfeiture and the allotment to cancellation.

Subscriptions, accompanied by a deposit of ten per cent of the amount subscribed, must be forwarded through the medium of a chartered bank. Any branch in Canada of any chartered bank will receive subscriptions and issue provisional receipts.

This loan is authorized under Act of the Parliament of Canada, and both principal and interest will be a charge upon the Consolidated Revenue Fund.

Forms of application may be obtained from any branch in Canada of any chartered bank and at the office of any Assistant Receiver General in Canada.

Subscriptions must be for even hundreds of dollars.

In case of partial allotments the surplus deposit will be applied towards payment of the amount due on the October instalment.

Scrip certificates, non-negotiable or payable to bearer in accordance with the choice of the applicant for registered or bearer bonds, will be issued, after allotment, in exchange for the provisional receipts.

When the scrip certificates have been paid in full and payment endorsed thereon by the bank receiving the money, they may be exchanged for bonds, when prepared, with coupons attached, payable to bearer or registered as

to principal, or for fully registered bonds, when prepared, without coupons, in accordance with the application.

Delivery of scrip certificates and of bonds will be made through the chartered banks.

The issue will be exempt from taxes—including any income tax—imposed in pursuance of legislation enacted by the Parliament of Canada.

The bonds with coupons will be issued in denominations of \$100, \$500, \$1,000. Fully registered bonds without coupons will be issued in denominations of \$1,000, \$5,000 or any authorized multiple of \$5,000.

The bonds will be paid at maturity at par at the office of the Minister of Finance and Receiver General at Ottawa, or at the office of the Assistant Receiver General at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary, or Victoria.

The interest on the fully registered bonds will be paid by cheque, which will be remitted by post. Interest on bonds with coupons will be paid on surrender of coupons. Both cheques and coupons will be payable free of exchange at any branch in Canada of any chartered bank.

Subject to the payment of twenty-five cents for each new bond issued, holders of fully registered bonds without coupons will have the right to convert into bonds of the denomination of \$1,000 with coupons, and holders of bonds with coupons will have the right to convert into fully registered bonds of authorized denominations without coupons at any time on application to the Minister of Finance.

The books of the loan will be kept at the Department of Finance, Ottawa.

Application will be made in due course for the listing of the issue on the Montreal and Toronto Stock Exchanges.

Recognized bond and stock brokers will be allowed a commission of one-quarter of one per cent on allotments made in respect of applications bearing their stamp, provided, however, that no commission will be allowed in respect of the amount of any allotment paid for by the surrender of bonds issued under the War Loan prospectus of 22nd November, 1915. No commission will be allowed in respect of applications on forms which have not been printed by the King's Printer.

Subscription Lists will close on or before 23rd September, 1916.

DEPARTMENT OF FINANCE, OTTAWA, September 12th, 1916.

## DOMINION OF CANADA WAR LOAN

We shall be pleased to receive your application to the above, attending to all the details.

**McDOUGALL & COWANS**  
STOCK BROKERS  
Members Montreal Stock Exchange  
56 Prince William Street

## NEW DOMINION OF CANADA WAR LOAN

This investment combines the highest class of security, ready marketability and Highest Interest Return, and should appeal to the most discriminating investor.

It is an opportunity for those who are not as yet Bond Investors. Once you have purchased a Dominion Government Bond and have become familiar with this form of investment, you will without doubt continue to invest your money in this way instead of being satisfied with a return of three per cent. We will look after the details of your subscription and delivery of Bonds free of all expense to you. TELEGRAPH OR TELEPHONE US AT OUR EXPENSE FOR APPLICATION FORMS OR, IF POSSIBLE, CALL AT OUR OFFICE. WE OFFER PROMPT AND EFFICIENT SERVICE.

SUBSCRIPTION LISTS CLOSE ON OR BEFORE SEPTEMBER 23RD.

Do not delay, put in your application at once. If only for \$100 it will receive the same attention as one for a much greater amount.

**EASTERN SECURITIES COMPANY, LTD.**

52 Prince William Street  
ST. JOHN, N. B.

INVESTMENT BANKERS  
James MacMurray, General Manager

193 Hollis Street  
HALIFAX, N. S.