more harm if continued. At the same time, a large number of corporations who have protected their bondholders, as they should do, are also suffering from the lack of consideration on the part of those companies who can see no better way of financing than exchanging bonds or coupons, which should remain as bonds or coupons, for common or preferred stock.

In the present instance, all of the $5,000,000 first mortgage bonds of the Western Canada Power Company were placed by the Royal Securities Corporation with investors in Canada and Great Britain. This bond house is naturally perturbed at the power company's announcement and feel some responsibility in the matter. While the power company does not suggest that bonds be exchanged for stock, it does suggest that two years' interest coupons of the bondholders be exchanged for preferred stock. The Royal Securities Corporation in a public announcement, state flatly that "this proposal should be rejected," adding: In our opinion not only are the monthly earnings of the company now sufficient to pay the interest on the $5,000,000 first mortgage bonds, but with the installation of additional machinery already ordered and partly paid for, will be sufficient to provide a surplus after paying interest on the further moneys required for the extension of the present floating debt and the installation of the additional machinery. The burden of any further financing should, in our opinion, rest upon the holders of the notes of Western Canada Public Utilities, Limited, which are secured by second mortgage bonds, and the control of the common stock of the Western Canada Power Company, and upon the other common stockholders of the company. The noteholders and the ordinary shareholders should mutually arrange a plan of reorganization which will finance the enterprise on a business basis. Such reorganization is most desirable. It can be carried out without being allowed in any manner to prejudice the interests of the first mortgage bondholders."

The bond house in question has sufficient faith in the above proposal to finance it if necessary. They have formed a protective committee to safeguard the interests of the bondholders, and have arranged for the protective committee to advance to the bondholders who deposit their bonds with the committee, the amount of the coupon which matured on January 1st last. With the information available, *The Monetary Times* advises the bondholders to deposit their bonds with the committee.

It is understood that a second and tentative proposal has been made by the noteholders, which is regarded as more favorable than the first. This will undoubtedly be considered by the protective committee.

INTERFERENCE WITH INVESTMENTS

On another page is printed a letter from the president of the Regina board of trade in regard to the petition circulated in Saskatchewan requesting the provincial legislature to abolish personal covenants in mortgages and agreements of sale. The letter points out that the Regina board of trade, discussing the petition, definitely and emphatically rejected it. That is good to know. *The Monetary Times* understands that much of the opposition at this board of trade meeting came from the loaning interests, as one would naturally expect in regard to such an extraordinary proposal. They soon convinced the other members of the unfairness of the petition.

Bankers, brokers and money lenders should take a deeper personal interest in the activities of such organizations as boards of trade and attend the meetings regularly. It would then be unlikely that the influence of boards of trade would be used to further the private interests of a very few members, as has been the case in many districts in the past.

Legislatures should give the loaning interests an opportunity for full, free and frank public discussion of measures such as proposed in the Saskatchewan petition, which from year to year become law without any general knowledge of the effect of the legislation. For instance, the Homestead Act of Saskatchewan of last year, which has destroyed loaning in that province for the time being, received its three readings on the last day of the session and was never even printed. When the act became law, a copy could not be obtained for some days. This is not good business.

SHIRKING DUTY

At the Toronto civic elections on New Year's day, the opportunity was given to vote for mayor, controllers and aldermen, to decide whether the city would guarantee over $4,000,000 hydro-radial bonds, and to express opinion as to whether the board of education should be elected annually or every two years. Only 40,000 of 142,000 qualified voters went to the polls. Such lack of interest in civic affairs is extraordinary. Is it too much to suggest the penalizing of those who fail in this way to do their duty as citizens? Every voter should cast his or her ballot or produce a medical certificate to the authorities.

NEW YEAR'S HONORS

The Canadians included in the King's New Year's honors represent a wide field of activity. The raising to the peerage of Sir Thomas Shaughnessy, president of the Canadian Pacific Railway, has the unqualified endorsation of the people because Lord Shaughnessy is recognized not only as a capable railroad president, but as a democratic citizen of the best type.

The minister of finance, who has become Sir Thomas White, has well merited his knighthood. Assuming office in 1911, he had to handle the problems which every finance minister has to solve. The advent of the war brought complex problems to the finance minister, such as which no other Canadian chancellor of the exchequer has ever had to face. Caution necessarily is one of the assets of a finance minister, but in times like these, too much caution would be fatal to the interests of Canada and the Empire, just as would recklessness. One of the most striking tributes paid to Sir Thomas White was that of Hon. C. H. Brand, C.M.G., Lloyd George's financial representative in Canada. Mr. Brand said recently that Sir Thomas had shown a remarkable combination of caution and courage, and remarked how valuable these two assets are in a finance portfolio in such exceptional times.

Another gratifying feature of the New Year's honors was the knighthood of Collingwood Schreiber, John Kennedy and Alexander Bertram, all of whom are in the engineering field, the first as consulting engineer to the Dominion government, the second as a well-known civil engineer and the third as chairman of the Imperial Munitions Board in Canada. This recognition of the engineering profession is a well-deserved tribute to a profession which has done so much for the development of the Dominion.