QUEBEC PROVINCE

The number of branch banks in Quebec province during the first half of the present year has increased from 662 to 716, a gain of 54. During the twelve months ended June last, the increase in bank branches in that province was 88. The four Western provinces in the same period lost 60 branches. The gain in Quebec province has been almost entirely in the rural districts, a matter of significance. Writing in *The Monetary Times Annual* in January last, Sir Lomer Gouin pointed out that his province is fortunate in the facts that so large and important an element of its population is dependent alone for its prosperity upon the products of the soil and of the dairy industry, and that the value of these is increased rather than diminished by the war, and further, that so many of its industries are now feeling the beneficial effects of the orders received in Canada for supplies of various kinds for the British and French army departments.

Indications of the wealth of Quebec province are furnished by the facts that no less a sum than $1,604,479.55 was received by the government during the year ended June 30th, 1914, from duties on successions, and that a surplus of receipts over expenditure was shown by the treasury department for the same year.

At the beginning of the year, Sir Lomer said: "Firm in the trust of 'Dieu et mon droit', we are doing business as usual, on our farms and in our shops, mills, mines, warehouses, factories and offices, looking confidently forward to the dawn of a brighter era than ever of long continued peace and prosperity—in our province and Dominion, as well as in the Empire at large." Such a happy combination of patriotism and production is bringing prosperity to Quebec province. The opening of new branch banks is but one indication of conditions there.

Every citizen must be able to tell in later years what he did to help the cause.

Says a Dominion Day poem in the Toronto Globe:—"It rests with those who rule us now to leave their impress there—the stamp of true nobility, high honor, stainless truth; the earnest quest of noble ends; the generous heart of youth." Manitoba politicians and Montreal aldermen should get this framed and hung over their desks.

DOMINION SELLS $40,000,000 NOTES

Placed in the United States at 99½ and Par—Reasons for the Issue—Total Loans to Date.

The Dominion government has sold in New York $25,000,000 of one-year 5 per cent. notes at par, and $15,000,000 of two-year 5 per cent. notes at 99½, with the option to holders of each to convert into 5 per cent. 20-year debentures. The proceeds of these securities will provide for the capital expenditures of the Dominion during the current year upon undertakings now under construction in Canada.

Some months ago Hon. W. T. White, minister of finance, made an arrangement with the Imperial treasury whereby the Canadian government was permitted to borrow in the London market during the present year funds required for capital expenditures upon works under contract, and this arrangement still exists.

Reasons for New York Loan.

The following considerations have influenced the making of the new short-date issues in New York:—

(1) Relief to the amount of the loan will be given to the London market, which is the source of the Imperial borrowings from which the war expenditure of the empire (including Canada) is financed.

(2) By borrowing in New York rather than in London the exchange situation now so greatly against the latter will be benefited.

(3) A loan of such large amount effected in New York should tend to improve exchange conditions between Canada and the United States, exchange at present being strongly in favor of the latter.

Having regard to the loss in exchange (amounting to about 1½ per cent.) in transferring funds from London to New York, which is the Canadian exchange centre, the rate of interest paid on the New York loan is as advantageous as the rate at which a similar loan could be placed in London. Payment for the securities being in New York funds, the Dominion gets the benefit of the existing premium on New York exchange in transferring the proceeds of the loan to Canada.

No Domestic Loan at Present.

The Dominion has no treasury bills outstanding, and the amount now borrowed will meet its requirements until the end of the year. In view of the heavy financial demands which will be made for the movement of this year's Canadian crop, and for the extension of credits to those engaged in producing munitions and other war material and supplies, and to the business and agricultural community generally, the minister has not thought it expedient, for the present, to resort to a Canadian domestic loan issue. In connection with the matter of price of all British governmental securities, it is to be pointed out that the recent Imperial war loan has established a much higher interest standard than has hitherto prevailed.

The minister of finance, in view of the uncertainty of future international market conditions, has pursued the policy of arranging considerably in advance for the financial requirements of the government.

The Bank of Montreal, acting as fiscal agents for the Dominion government, placed the $40,000,000 of notes with Messrs. J. P. Morgan and Company, Brown Brothers and Company, the First National Bank of New York and the National City Bank of New York. The Bank of Montreal also associated itself with these houses in the purchase.

Total Loans to Date.

Canada's borrowings this year to date according, to the records of *The Monetary Times*, are as follows:—

Sold in	
United States	$100,297,772
Canada	27,186,434
Great Britain	41,175,000
	$168,659,206
War loans from Great Britain	60,000,000
	$228,659,206

The above total includes the $40,000,000 issue in the United States.

The directors of the Dominion Bridge Company announce a dividend of 2 per cent. quarterly.

Lieutenant-Colonel Thomas Cantley has been elected president of the Nova Scotia Steel and Coal Company; he will also retain his position of general manager. Previously Governor J. D. McGregor and Colonel Cantley were first and second vice-presidents respectively. With the latter's promotion the offices of first and second vice-presidents are abolished, and Governor McGregor, of Halifax, and Mr. W. D. Ross, of Toronto, are made vice-presidents; Mr. Ross is to be entrusted with the financial end of the company's business. The appointment of a new director in place of R. E. Harris, K.C., who resigned from the president's office, has been deferred.