Monetary Times

Trade Review and Insurance Chronicle

of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1208 McArthur Building. Telephone Main 2663. G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

One Year	Six Months	Three Months	Single Copy
$3.00	**$1.75**	**$1.00**	**10 Cents**

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

NEXT WAR LOAN

All statements at present as to the amount or interest yield of the next war loan are unauthentic. These questions will not be determined until shortly before the loan is made in November. The story, widely printed last week, that the loan would yield the investor 6 per cent., was obviously incorrect. The third loan yielded 5.40 per cent. To be consistent with the proper mixture of patriotic motives and respect for money market considerations, the fourth loan may give the investor a little better than 5½ per cent. At that rate, the purchaser of the fourth Canadian war loan would have an income 2 per cent. greater than that of the 4,000,000 subscribers to the Liberty Loan of the United States, who received only 3½ per cent.

Sir Thomas White has pointed out that from this time forward the continued prosperity of Canada during the war will depend largely upon the thrift of the people and the success of the government's war loan issues. Canada can get all the export business she can finance and no more. He reminded us that the demands upon the Dominion treasury at this time are of a two-fold nature; first to provide Canada's war expenditure here, and secondly to establish credits out of which the Imperial government may purchase, not only munitions, but essential foodstuffs such as cheese, bacon, flour, grain and canned goods for the army in the field and the civilian population at home. The amount of foodstuffs which Great Britain can purchase in Canada depends upon the amount of money which the Canadian government can supply the Imperial treasury for the purpose, and this again depends upon the savings of the people of Canada and their willingness to place these savings at the disposal of the government by subscribing to war loan issues.

The coming loan will probably be one of $100,000,000 or $150,000,000. The Canadian government recently extended to the holders of the second and third loans, the privilege of converting their bonds into future loans, should such future issues be for a twenty years' term or longer. This privilege was already held by holders of the first war loan. Until the finance department announces the terms of the fourth loan, it will not be known whether conversion of the second and third loans will be possible, as such conversion depends upon the term of the next loan. It would, however, materially help the marketing of the next loan were it made in a form which permits conversion of the previous issues. This could be done by making the entire issue one for twenty years or of splitting the loan into various maturities, including one maturity of twenty years. Some observers state that if the government does not allow conversion it will be tantamount to a breach of faith. While this is not legally so, there is something to be said for that contention on what we may term sentimental investment grounds.

The reported statement of Sir Thomas White last week that between now and November, a nation-wide organization will be instituted to make the loan a success, is encouraging. Such action, it is generally agreed, is absolutely necessary to ensure the over-subscription of Canada's fourth domestic war loan.

SHIPBUILDING IN CANADA

In a discussion in the House at Ottawa last week as to shipbuilding in Canada, Hon. Dr. Pugsley stated that the government had failed in this matter. The minister of trade and commerce, for some reason or other, he said, seemed to have been entrusted with shipbuilding in Canada, and he promised something big after the war. To-day, said Dr. Pugsley, Canadian shipping had practically disappeared from the sea, so far as the maritime provinces were concerned. People there were compelled to pay three times what they should for coal because of lack of ships. The Imperial Munitions Board was doing a little shipbuilding, but still hundreds of shipyards where the government could build ships were idle.

This is lamentably loose talk for a member of Parliament. We doubt whether Mr. Pugsley could name even one hundred idle shipyards in Canada or, for that matter, one score. Were the facts known, it would probably be found that shipbuilding has become one of our most important industries and that few, if any, available yards are unoccupied. What we need just now is a clear statement by the government as to exactly what is being done in regard to shipbuilding, how, and by whom.

SOME TRADING HINTS

If the United Kingdom trader is to regain the Canadian trade which has been partly lost during the war, he must ascertain the terms and be prepared to allow equal terms, as regards credit, with manufacturers of similar goods in the United States. This is the advice given by Mr. C. H. Wickes, H.M. Trade Commissioner in Canada. In his report on Canadian trade for 1916, just published, he points out that the majority of Canadian importers, in goods handled directly or indirectly through the retailer, look for credit of 30, 60 or 90 days, customarily extended by the established American manufacturers. It is vain for British manufacturers of such goods to insist on "cash