

## MANITOBA AND WINNIPEG FINANCING

### Province and City are Retiring Debts in London and Re-floating in New York.

An important financing scheme for Manitoba province and Winnipeg city has practically been arranged with the British Treasury officials. It involves the borrowing of funds in New York with which to pay the entire debt of the province and of the city, due in London. The amount involved, it is understood, is approximately \$44,000,000. The idea is that of Honorable Edward Brown, provincial treasurer of Manitoba, who has consulted the British Treasury board through its American agents, Messrs. J. P. Morgan & Company, and who has also interviewed the leading bond houses in Canada and the United States with a view to their participation in the transaction. The negotiations have been proceeding for several months.

By paying these debts in London and re-financing in New York, the province will save several million dollars in its capital obligations and a large sum in interest charges during future years. The province owes about \$16,000,000 in London. British funds will be released to that extent, and can be devoted to war financing.

It is stated that the province has obtained a first loan of \$10,000,000 in New York, retiring money borrowed in London in 1912 by the Roblin government and being a consolidation of a number of issues. Agents of Messrs. J. P. Morgan & Company recently spent two weeks in Winnipeg examining the resources of the province and the city.

#### City Borrows \$9,000,000.

According to Winnipeg despatches, Mayor Waugh returned to that city on Monday and announced that the money borrowed by the city in 1912 in London, amounting to \$9,000,000, has been paid off, the city saving \$2,000,000 in the transaction, owing to the difference in exchange, and in the prices at which the bonds were bought in London. The city paid off each \$100 indebtedness with \$76.25.

Assuming the conversion of the complete issues agreed upon, the amount which the city would save on the operation would be on principal account the sum of \$1,876,462. This amounts roughly to 20 per cent. of the whole issue concerned, and the percentage of benefit to the city will apply to the exact proportion of the securities converted.

At the present time the saving in interest will amount to about \$3,400 per annum. In the course of years there would be, in all probability, a much greater saving in interest.

#### British Treasury's Position.

When the scheme was first broached, the British treasury apparently did not receive it enthusiastically, and some difficulty was found in getting the officials to consider such a reorganization scheme at present. This is the first occasion since the outbreak of war that the Treasury has given any consideration to such a scheme promoted by a provincial government or municipality. Apparently the obstacles have now been overcome and the plan will be proceeded with. It is not known yet whether the Treasury officials will exercise their full powers under the mobilization of securities scheme, but London cable messages indicate that this will be the case.

Large holders in Great Britain of Manitoba province and Winnipeg securities will probably be notified by the British Treasury that it is desirable for them to turn in their securities to the government. When the volume of securities under the mobilization scheme began to decline, the British authorities instituted a tax of about 25 per cent. to be paid by investors who persisted in holding the securities which the treasury desired to purchase. This had the effect of releasing a number of securities which otherwise would have been held by British investors. Similar pressure could be applied in the case of the Canadian securities in question if it were thought desirable.

As these securities are mobilized in London, say to the extent of three or four million dollars, they will be purchased there, retired, and new issues will be made in the New York market for similar amounts. This process will continue until the Manitoba provincial and Winnipeg city debts in London are paid off. The provincial and municipal debts of those two borrowers will then have been transferred to New York. The transaction will, as noted above, effect a considerable saving for the borrowers. These securities, issued mostly at par in London some years ago, are now selling ten or more points below par. They will be purchased at that price. The

province will, therefore, be able to wipe out its debt in London, at a considerable discount.

Important Canadian and United States banking houses will participate in the scheme when all the arrangements are complete. *The Monetary Times* understands that if the results of the present experiment are satisfactory, more especially to the British authorities, similar financing will be undertaken by Saskatchewan. The financing of these two provinces and of the city of Winnipeg may ultimately involve \$70,000,000.

In response to inquiries of *The Monetary Times*, Messrs. J. P. Morgan and Company, New York, made the following statement: "The details of the scheme have yet to be worked out. We are not in a position to make an announcement at the present time."

### LIFE INSURANCE IN BRITISH COLUMBIA

Life insurance premiums totalling \$2,761,258, on a total insurance of \$83,204,991, were collected last year in British Columbia, according to returns which Mr. E. F. Gunther, provincial superintendent of insurance, has issued. The business was divided among 34 companies licensed to do business in British Columbia. The companies have invested in the province \$76,228,300, of which \$8,630,515 is invested on mortgage and \$7,597,785 on other securities. The amount of new business written during the year 1915 aggregated \$15,474,900. Claims paid totalled \$1,021,605, and unsettled claims on December 31 aggregated \$384,000, of which \$230,500 were disputed.

The following table shows the premium income and the total amount of insurance carried by the various companies at the end of the year:—

Name of company.	Premiums.	In force.
British Columbia Life .....	\$ 64,559	\$ 2,199,476
Canada Life .....	172,525	5,166,397
Capital Life .....	1,309	46,500
Confederation Life .....	106,640	3,783,639
Continental Life .....	10,416	884,500
Crown Life .....	60,955	2,326,113
Dominion Life .....	10,415	476,000
Equitable Life .....	85,594	2,507,325
Excelsior Life .....	25,550	798,040
Great-West Life .....	318,095	9,366,319
Gresham Life .....	6,605	141,590
Imperial Life .....	101,432	2,615,400
London Life .....	2,064	233,932
London and Lancashire .....	28,720	.....
Manufacturers Life .....	54,817	1,416,254
Metropolitan Life—		
(Ordinary) .....	98,499	3,221,421
(Industrial) .....	115,070	3,191,323
Monarch Life .....	48,079	1,976,170
Mutual Life Canada .....	264,093	6,924,422
Mutual Life of New York .....	87,054	3,523,057
National Life Assur. Co. ....	54,599	1,460,261
New York Life Ins. Co. ....	353,893	8,986,924
North American Life .....	142,517	4,106,443
Northern Life .....	4,142	113,000
Norwich Union .....	394	9,350
Phoenix Assur. Co. ....	7,926	240,500
Prudential Ins. Co. ....	118,534	4,029,130
Royal Ins. Co. ....	77,140	2,466,254
Sovereign Life .....	10,879	302,761
Standard Life .....	34,241	976,585
Sun Life .....	254,349	8,455,625
Travelers Ins. Co. ....	14,114	400,127
Travellers Life .....	5,847	219,152
Union Mutual Life .....	20,178	641,000
	\$2,761,258	\$83,204,991

"As a young man, when I was first looking forward to the obligations of manhood and the duties of fatherhood, I realized that there was only one way in which a poor man without capital could protect his family from the vicissitudes of fortune and make proper security against the day which must come to us all, and that was through life insurance. And I have been interested in life insurance, adding to my holdings in life insurance from that time to this. If I were to die to-night, to a very large extent the entire protection of my family would consist of life insurance policies."—Charles E. Hughes, United States presidential candidate, speaking in New York in 1908.