

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: 1206 McArthur Building. Telephone Main 3409.
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.

RESTRICTIONS HARMFUL AND UNFAIR

JUST why restrictions should be placed upon the repurchase of Canadian securities held abroad has not been made plain, but a virtual embargo on transactions of this kind has been arranged. British holders of Canadian bonds and stocks were taking advantage of the excellent opportunity to dispose of their securities at good terms, and investors on this continent were, in turn, buying them up at bargain prices. This country never had such an excellent opportunity to redeem some of the billions of dollars of debt abroad, and the British investors were glad to transfer their funds to domestic securities. No one suffered except borrowing provinces and municipalities in the Dominion, who found it impossible in recent months to secure even fairly good prices because of the flood of repurchased securities. But, for years past, the policy of economy has been preached in Canada, and many regrets expressed that public bodies persisted in extravagance. Circumstances were now forcing such economy, and a distinct improvement in provincial and municipal finances would follow if such conditions continued for some time.

The arrangement now made means that the supply of securities from abroad will be practically shut off, and the prices here will be to a corresponding extent sustained. There are, of course, arguments in favor of it. The minister of finance is understood to have looked with great concern at the fall in the price of the war loans, more especially as the price of the 1919 bonds has fallen below par before the payment of the instalments is completed. He considered that, while it was no doubt desirable to reduce our debt abroad, the present low rates for sterling exchange were bringing securities back in such large volume that it was quite beyond the power of the market here to absorb them so rapidly. British investments in Canada aggregate several billions of dollars, in proportion to which the accumulation of wealth in Canada is naturally slow. Not only were new issues almost entirely prevented, but prices of older issues in Canada, including the war loans, have been going down rapidly. The time had, therefore, been reached, he thought, to take action.

Consideration should be given, however, to possible buyers of bonds and stocks as well as to those who are obliged to sell. Investors who have money accumulated for investment will be unfairly treated by the new arrangement, as it prevents them from investing in the most desirable

PRINCIPAL CONTENTS OF THIS ISSUE

EDITORIAL:	PAGE
Financing Irrigation in Canada	10
Victory Bond Trading	10
Control of Municipal Expenditure	10

SPECIAL ARTICLES:

Embargo on Import of Securities	5
Special Dominion Subsidies of Provinces	6
Manitoba Surplus Largest in its History	7
Much New Legislation in Saskatchewan	18
Milling Production Over Quarter Billion	22
Succession Duty on Charitable Bequest	24
British Imperial Preferential Tariffs	28
British Columbia Has Capital Surplus	36
Determining the Relative Value of Stocks	38

MONTHLY DEPARTMENTS:

Government Finance	42
Government Currency	42

WEEKLY DEPARTMENTS:

News of Industrial Development in Canada	44
News of Municipal Finance	48
Government and Municipal Bonds	50
Corporation Securities Market	54
Listed Stocks Register Some Declines	54
Investments and the Market	58
Recent Fires	60

securities available at present. When prices rise abnormally high the investor must take the best yield he can get; similarly, when they are unusually low, he should be able to take advantage of the market conditions.

It is also certain that British holders of our securities will look upon this move with extreme disfavor. They will still be able to sell in the United States, however, in which direction a similar movement of securities has taken place, and the result will be that our debt to that country will be increased. It would be distinctly preferable if as much as possible of our external debt were absorbed back in Canada, where it would be subject to taxation, and if, in the meantime, Canadian borrowers were subjected to economy of the strictest kind. From the British point of view our action in this connection is distinctly more arbitrary than in the case of the acquisition of the Grand Trunk, which has been severely criticized on the other side. Before many years we may again be going to Great Britain as borrowers rather than lenders, and the action being taken now will greatly damage Canada's credit there for many years to come. Regulation of commodity prices has proved more harmful than beneficial, and the restrictions now being placed upon investments are equally injurious and devoid of good result.

CONFIDENCE IN ESTABLISHED INSTITUTIONS

THE present Dominion government does not represent the wishes of the people, nor does the press of Canada give them information in the way they want it, according to Professor W. F. Osborne, of the University of Manitoba. Several other institutions came in for criticism in his address before the Canadian Club, Montreal, last Friday. If the government which limits our activities, and the press which moulds our opinions, are astray, it is probable that many other defects may be found abroad in the land. Might not the professor have extended his attack to provincial and municipal governments, to business institutions and labor organizations, and even to the very educational organizations which he represents? Possibly the Union government has outlived its mandate, but surely all the papers of Canada are not muzzled, nor do they altogether fail to represent the opinions of their subscribers. Such wholesale criticism as that indulged in by Professor Osborne is not justified, nor does it help to offset the lack of confidence in established institutions which is now so prevalent.