

THE TERMS OF THE WAR LOAN.

The prospectus of Canada's fifty million dollar war loan was issued on Monday. The loan takes the form of 5 p.c. 10-year bonds, (denominations, \$100, \$500, \$1,000, \$5,000), maturing 1st December, 1925, issue price 97½. Interest payable, 1st June and 1st December, a full half-year's interest being paid on 1st June, 1916. Subscriptions payable 10 p.c. on application, 7½ p.c. on 3rd January, 1916, 20 p.c. on 1st February, 1st March, 1st April and 1st May. Instalments may be paid in full on and after 3rd January, under discount at the rate of 4 per cent. per annum.

The yield of the loan at the issued price of 97½, allowing for redemption, is 5.38 per cent. The fact that a full half-year's interest is to be paid on June 1st next, although the final instalment of subscription money is not due till May 1st, slightly increases this yield, which if advantage is taken of the provision to pay up instalments in full under discount on January 3rd next, will be practically 5½ per cent.

An interesting feature, copied from the British Government's recent practice, is that in the event of future issues for war purposes, other than issues made abroad, the present bonds will be accepted at 97½ plus accrued interest as the equivalent of cash for subscriptions to such issues. This arrangement safeguards the investor from depreciation of the present issue in the event of future issues made at a higher rate of interest.

The \$100, \$500 and \$1,000 bonds will be either bearer bonds or registered as to principal as desired, both having coupons attached, and \$1,000 and \$5,000 fully registered bonds will also be issued. Interest on both classes of bonds will be payable free of exchange at any branch of any chartered bank in Canada.

The issue will be exempt from taxes—including any income tax—imposed in pursuance of legislation enacted by the Parliament of Canada.

Application will be made in due course for the listing of the issue on the Montreal and Toronto Stock Exchanges.

Recognized bond and stock brokers are allowed a commission of one-quarter of one per cent. on allotments made in respect of applications which bear their stamp.

The subscription lists will close on or before 30th November.

EXECUTIVE CONTROL.

In "The Executive and His Control of Men," published by the Macmillan Company of Canada (price, \$1.50), Professor Enoch Burton Gowin, of the New York School of Commerce, tells how personal efficiency is developed. The various methods by means of which the executive motivates his men are considered; in which connection is discussed the role of personality, suggestion, emulation, rewards, instruction, etc. The third part of the book analyzes the limits upon the executive's power, such as apathy, opposition and competition, and shows how these may be dealt with. The book treats an important subject in a practical way; it makes use of the best things in modern social psychology and applies it directly to the executive. It should, therefore, be of interest to students of social psychology, as well as of business, and to executives.

CANADIAN BANKS AND STERLING EXCHANGE.

Canada is interested greatly in the efforts making to strengthen and stabilize the market for sterling exchange, writes a Toronto correspondent. Until a couple of months ago the abnormally high premium ruling in Canada on New York funds served to lessen the injurious effects of the low American rates for sterling, so far as Canadian exporters were concerned. In making the sterling rates for Canada the bankers take the sterling rates current in New York and add to or deduct from them according as New York funds in Montreal are at premium or discount. Thus a premium of one per cent. between banks on New York funds in Canada would have the effect of making the Canadian rates for sterling say 4½ cents per pound sterling higher than the New York quotations; for a long time the premium ruled at 58 of one per cent, which was equivalent to an increase of about 3 cents per pound in the Canadian as compared with the New York rates for sterling.

This was quite an important matter for Canadian exporters. It was beneficial chiefly, however, for the exporters sending out last year's crops and those shipping this year's cheese production and manufactured exports. Since the Canadian Government loan was floated at New York at the beginning of August, the premium on New York funds has been much shrunken; and with the heavy movement outwards of Canadian grain the premium has disappeared entirely—last week it gave place to a discount. This means that henceforth sterling rates in Canada will be no higher than in the United States; and if the discount on New York funds persists at Montreal, the Canadian rates will be lower to that extent than the New York rates. Therefore it is easy to see how Canadian grain producers and exporters are interested in the measures taken to keep sterling rates at reasonably high levels. It is thought that the Canadian bank agencies in New York will take and carry quite a respectable proportion of the bills which the English banks are to put out in furtherance of the new plans.

EXPORTS' FAVORABLE SHOWING.

The Canadian export figures for October are highly favorable. Exports during the month amounted in round figures to \$80 millions, practically double the amount recorded for October, 1914. The chief increases are in agricultural products, \$39,833,000, compared with \$17,900,000 for October, 1914; animals and their products, October, 1915, \$12,000,000, October, 1914, \$8,000,000; manufactured goods, October, 1915, \$12,800,000, October, 1914, \$7,100,000; minerals, \$6,600,000, compared with \$5,104,000, while there is a substantial increase in the export of fisheries and lumber.

Imports for the month of October were \$39,500,000, made up of \$22,800,000 dutiable goods, and \$16,700,000 free goods.

The war loan voucher system having proved unsatisfactory, war loan bonds of the value of £1 or multiples thereof and bearing 5 per cent. interest are to be issued in England to gather in the savings of the working people for war purposes. The bonds will be convertible into cash at face value on demand,