

on the basis of £105 stock for each £100 in debentures. This loan was raised for the purpose of providing for obligations arising out of construction of public works and for the redemption of maturing liabilities.

Three Millions Sterling.

In February, 1908, a loan of £3,000,000 3½ per cent. stock, due 1st July, 1950, with option to the Government to redeem at par on or after 1st July, 1930, on giving six months' notice, was floated in London. The loan was issued at par and was raised for the purpose of providing for maturing liabilities, for obligations in connection with the construction of the National Transcontinental Railway, and for other purposes. Holders of the £1,500,000 4 per cent. Guaranteed Intercolonial Railway bonds, which would mature on 1st April, 1908, were offered an equivalent nominal amount of this stock in exchange for the bonds held by them.

In June, 1908, a 3¼ per cent. loan of £5,000,000, due 1st May, 1912, was floated in London. The loan was issued at par and was raised for the purpose of providing for maturing obligations and construction of public works. Holders of 4 per cent. bonds and stock, due 1st November, 1908, were offered in exchange an equivalent nominal amount of this issue.

An option, up to 30th September, 1910, was allowed to holders of this 3¼ per cent. stock and bonds, of conversion into 3 per cent. inscribed stock, 1938, on the basis of £106 of that stock for each £100 of 3¼ per cent. stock or bonds.

Option to Redeem.

In October, 1908, a loan of £5,000,000, 3½ per cent. stock, due 1st July, 1950, with option to the Government to redeem at par on or after 1st July, 1930, on giving six months' notice, was placed on the London market. The loan was issued at par and was raised for the purpose of providing for obligations in connection with the construction of the National Transcontinental Railway and for other purposes. Holders of 4 per cent. bonds and stock which matured 1st November, 1908, were offered an exchange for an equivalent nominal amount of this stock.

In January, 1909, a loan of £6,000,000 3¼ per cent. bonds, due 1st July, 1919, with option to the government to redeem the whole or any portion by drawings at par on or after 1st July, 1914, on giving three months' notice, was issued at 99¼ per cent. in London for the purpose of meeting maturing obligations to provide funds for the construction of public works, and for general purposes. Holders of these bonds have the option, up to 30th November, 1913, of conversion into the existing 3 per cent. inscribed stock, 1938, on the basis of £110 of that stock for every £100 bond.

Grand Trunk Pacific Loan.

In July, 1909, a further loan of £6,500,000 3½ per cent. stock, due 1st July, 1950, with option to the government to redeem at par on or after 1st July, 1930, on giving six months' notice, was issued at £98½ per cent. in London for the purpose of providing for the outstanding balance of the loan maturing 1st January, 1910, and to provide for the advance of \$10,000,000 (say, £2,054,794 10s. 5d.) to the Grand Trunk Pacific Railway Company to assist in the construction of the National Transcontinental Railway.

In January, 1910, a loan of £4,000,000 3½ per cent. stock, due July 1st, 1950, with option to the government to redeem at par on or after July 1st, 1930, on giving six months' notice, was issued in London at £99 per cent. for the purpose of providing for the redemption on July 1st, 1910, of the 4 per cent. 1910-35 loan.

In May, 1910, a further loan of £5,000,000 3½ per cent. stock, due July 1st, 1950, with option to the government to redeem at par on or after July 1st, 1930, on giving six months' notice, was issued in London at

£99½ per cent. for the purpose of providing for the redemption of £3,500,000 treasury bills, due July 1st, 1910, and £1,500,000 4 per cent. guaranteed bonds, due October 1st, 1910.

Nova Scotia has not marketed a loan in London since 1904. The following loans were floated overseas in the years mentioned:—

Year.	Amount.	Security.
1892	£200,000	3½ per cent. debentures.
1899	164,000	3 per cent. inscribed stock.
1904	650,000	3½ per cent. inscribed stock.

Total....£1,014,000

The first loan was required for the purpose of paying off the floating debt of the province, which had in great part arisen from expenditures on public works chargeable to capital—railways, bridges, roads and public buildings—and to provide for expenditure of a similar character already authorized.

Prior to the union of the provinces, Nova Scotia had large transactions in the English money market. The Nova Scotia debentures, which were placed through leading financial houses, held a high position in the list of Colonial Government securities. All these debentures have matured and have been redeemed. For a number of years after the union of the provinces, Nova Scotia did not issue debentures. The financial arrangements respecting the Union placed to the credit of the province in the Federal treasury a sum of money which was available for expenditure on the public works of the province, and was drawn upon for that purpose. This arrangement was still open to the government of Nova Scotia, there being at the credit of the province at Ottawa upwards of a million dollars. As the Dominion Government were bound by statute to pay to the province a high rate of interest on this money, the government of Nova Scotia decided not to draw from the funds so invested, but to provide for the necessary public services of the country by issuing debentures at a lower rate of interest.

The loan of £164,000 was required for the purpose of paying off certain floating debts of the province, which had in great part arisen from expenditures on public works chargeable to capital, railways, bridge and public buildings, and to some extent to provide for expenditures of a similar character already authorized.

The loan of £650,000 was required for the purpose of paying off certain floating debt of the province, which had in a great part arisen from expenditures on railways, and, to some extent, to provide for expenditures of a similar character already authorized.

Aid to the Railways.

In addition to the above loans, debentures of Nova Scotia, amounting to \$675,000, dated May 15th, 1905, payable in London, and due 1945, were issued and delivered to the Halifax and South-Western Railway Company in lieu of subsidy in connection with the Halifax and Yarmouth Railway, and they are secured by a first mortgage on the railway; and \$304,000 of debentures payable in London were issued and delivered to the Halifax and South-Western Railway Company in lieu of subsidy for the Middleton and Victoria Beach Railway, and are secured by a first mortgage on that railway. The province holds a mortgage of \$3,021,191 on the railway of the Halifax and South-Western Railway Company. This is to secure the advance made to the company in lieu of subsidy, to raise part of which £650,000 of sterling debentures were issued in 1904.

In May, 1911, Nova Scotia had a temporary loan of \$1,435,666 for six months, the money being borrowed principally for bridges.

New Brunswick has had no dealings with the London money market since 1908. Borrowing since then has been of a temporary nature.

It will be noted from the following statement of the public debt of the Province of Quebec at June 30th, 1910,