

GOLD FROM OTTAWA

Present Movement to New York Involves About
\$100,000,000

With the arrival in New York of \$10,000,000 of gold last week from London, the total imports by the United States of that metal since the present movement started on May 11th, exceeds \$109,000,000, divided as follows: From Ottawa to New York, \$79,246,000; from Ottawa to Philadelphia, \$20,000,000; from London to New York, \$10,000,000; total, \$109,246,000.

Origin of the Gold?

Practically the entire amount has been consigned to J. P. Morgan and Company, agents of the British treasury. The question of the origin of the gold that went from Ottawa has no place at present in print and is causing considerable guessing in New York. Here is one version: "Early in the war the Germans captured a British treasure ship, containing a large consignment of the precious metal bound to London from South Africa. This undoubtedly became responsible for great subsequent caution, and the presumption has been that by means of warships the metal has been transported to Canada to be readily available to meet the situation in connection with the sterling exchanges which recently has become current in New York. It was at first supposed that the metal was coming from the Bank of England's branch that was established at Ottawa soon after the war started. But it is now evident that it must have come from a special government store not connected with the official English bank, for the bullion supply of Threadneedle Street has shown a steady increase during the entire period of the movement."

How Gold Depository Works.

Regarding the Bank of England gold depository at Ottawa, it is interesting to recall that the minister of finance recently informed *The Monetary Times* that the arrangement under which he was authorized to receive gold in trust for the Bank of England was as follows:—

The minimum of the transaction was established at \$20,000; shipments to be made in kegs or boxes and a statement that the amount was to be held in trust for the Bank of England to accompany the shipment, which was to be addressed to the Minister of Finance and Receiver-General of Canada, Ottawa; the minister to be advised also as to whom the proceeds were to be paid in London.

On the gold being received and checked, the Bank of England was advised by cable of the amount and to whom the proceeds were payable in London. The rate established by that institution for gold was 77/6d. per ounce for standard fine bars and 76/3/4d. per ounce for eagles. If sovereigns were accompanied by a guarantee from the person shipping same that they were of correct standard weight—namely, 122.5 grains for sovereigns and 61.125 for half-sovereigns, the bank would pay out a like amount in pounds in London, less three pence per ounce to cover freight and insurance.

SEVENTY MILLION BUSHELS TO EXPORT

Wheat still available for export from last year's western crop has been estimated at 70,000,000 bushels, by Mr. W. A. Black, of the Ogilvie Flour Mills Company, the estimate in bushels being based on the following figures:—

Northwest crop, 1915, 365,000,000; inspected to June 24, 292,344,000; in transit not inspected, 4,000,000; in interior elevators, 23,000,000; used for seed and feed, 24,000,000; ground in country mills not inspected, 5,000,000; less for double inspections, 3,000,000; and still in farmers' hands, 19,656,000.

The amount of wheat available on June 24 was as follows: Wheat in farmers' hands, 19,656,000; in interior elevators, 23,000,000; in transit not inspected, 4,000,000; in transit east of Winnipeg, 2,500,000; in transit on lakes, 5,000,000; Canadian visible: Port Arthur and Fort William, 14,830,000; eastern public elevators, 9,358,000; domestic requirements to September 30 are 13,000,000; less private stocks, not included in above, 5,000,000; leaving available for export, 70,344,000.

ALASKA NORTHERN RAILWAY SUIT

Defunct Sovereign Bank Asset in Courts Again—Position
of Canadian Bondholders

A dispatch from Alaska states that suit for \$450,000 has been filed in the United States District Court at Anchorage against the Alaska Northern Railway Company by John E. Ballaine, and that it may prevent payment due on July 5th of the final payment of \$650,000 due to the Canadian bondholders from the government for the railroad, which was taken over as a part of the Federal railroad system of the United States between Seward and Fairbanks. The dispatch continues:—

"Mr. Ballaine, who was one of the promoters of the Alaska Central Railroad, later the Alaska Northern, brought suit to recover \$450,000 alleged to be due him because of the action of the Canadian bondholders last year in keeping him out of possession of the Seward townsite at the time the lots had that value. The complaint recites that the federal courts decided the townsite belonged to Ballaine, and had not been included in the transfer of the railway property of the old Alaska Central to the reorganized Alaska Northern, which subsequently was sold to the government. Papers in the suit filed to-day were served on the Alaska Engineering Commission as the government still holds \$650,000 of \$1,250,000 for which the Canadian bondholders sold the railroad. Officers of the Alaska Engineering Commission had not decided to-day whether the filing of the suit clouded title to the property to such an extent as to prevent payment of the final instalment due the bondholders July 5th."

Payment Has Been Made.

The Monetary Times is informed on good authority, however, that payment has already been made to the Canadian bondholders, the transaction taking place on July 1st.

The road has been a fruitful cause of litigation. In June, 1915, questioning the right of some of the defendants to sell the Alaska Northern Railway to the United States government to form part of the government railway in Alaska, E. A. Shedd and Company, bankers, of Chicago; John R. Thompson, city treasurer of Chicago, and others, this week filed suit in the supreme court of the district of British Columbia asking that a receiver be appointed to receive the purchase price, says a Washington dispatch. Some of the defendants then were Franklin K. Lane, secretary of the department of the interior; William G. McAdoo, secretary of the treasury; John Burke, treasurer of the United States; the American Surety and Trust Company, the Sovereign Bank of Canada, the International Assets, Limited, W. E. Stavert, F. G. Jemmett, W. J. Boland and G. T. Clarkson.

Railroad Is Sold.

Associate Justice Wendell P. Stafford issued a rule for the defendant government officials to show cause why they should not be restrained by an order of the court "from paying defendants W. E. Stavert, F. G. Jemmett, W. J. Boland, G. T. Clarkson, or the International Assets, Limited, the sum of \$1,150,000 or any part thereof, and the American Security and Trust Company from surrendering possession of the stocks, bonds and securities, the subject of the contract mentioned in the bill."

The railroad is now sold and the money paid, according to advices to *The Monetary Times*. At mile 198 on this road, excellent naval coal has been discovered.

UNITED STATES FIRMS OFFER CANADIAN BONDS

Various investment lists recently issued in the United States include Canadian offerings.

Messrs. Peabody, Houghteling and Company, 10 South La Salle Street, Chicago, offer bonds of Abitibi Power and Paper Company, Limited, Atlantic Sugar Refineries, Limited, Town of Iroquois Falls, Ont., William Pearson Company, Limited, etc.

Messrs. Kissel, Kinnicutt and Company, New York, are offering \$100,000 5 per cent. first mortgage sinking fund bonds, due 1940, of the Pennsylvania Water and Power Company. Toronto and Montreal capital is represented on the directorate of this company.