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## TRANSFERRING CANADIAN DEBTS.

The scheme which has been announced this week, for the transfer in part or wholly of the obligations of the province of Manitoba and the city of Winnipeg from London to the United States is a decidedly interesting one, though information that has so far appeared regarding it is lacking considerably in essential details. What is apparently proposed is the mobilisation of the provincial and city obligations now held in Great Britain and their repayment through a conversion operation financed in New York. As the London obligations of the city and province amount altogether to approximately \$40,000,000, it is obvious that an operation of this kind would be of some importance in helping to meet obligations of the Allies in New York. It is equally obvious, however, that no such scheme can be a success unless the co-operation of the British Government, with its powers to force investors to give up certain securities under penalty of a heavy additional income tax, is assured. The city of Vancouver, some time ago, was talking of a similar idea, but the British Government was not then ready to take it up, and Vancouver's idea came to nothing. Clearly, unless compulsion is exercised, some British investors, at least, are not likely to be over-eager to give up securities at prices which would represent a heavy depreciation from the level at which they were purchased. Under present arrangements, we understand British investors have the option of either selling outright their trans-Atlantic securities to the Government or of depositing them for the purpose of use as collateral. The new scheme, apparently, would demand the outright purchase of securities or a special arrangement for the compulsory carrying-out of the refunding operation. Moreover, the probabilities are that a certain amount of the securities which would be affected are already beyond the reach of the British Government, having been resold to Canada in recent months.

In any case, whether the scheme is carried out wholly, or in part by dealing only with certain issues,

its progress is likely to be watched with a good deal of interest. The scope of the "mobilisation" of British securities scheme is being steadily extended, and, as yet, no limits can be put on the possibilities contained in its developments. It was noted in the cables this week that the British Treasury is now offering to purchase Manitoba and Saskatchewan bonds, interest on which is payable in Canada. Great Britain still holds an enormous amount of Canadian provincial and municipal bonds, and their eventual utilisation in this scheme would certainly not be surprising, whether the impetus to use came from this side, as in the case of Manitoba and Winnipeg, or from London. The transference of pre-existing debt of this character from London to New York would be a logical sequence to the extensive new borrowings which have been made by Canadian provinces and municipalities in the United States since war broke out.

## CAPITAL AFTER THE WAR.

One view of the outlook after the war for capital is contributed by Mr. F. W. Hirst, who is now retiring from the editorship of the London "Economist," owing apparently to a difference of opinion with the owners—a development which those who have been lately reading the political articles in the "Economist" can hardly be surprised at. Mr. Hirst asks the question, where can India, and what he calls in the old-fashioned manner of the Manchester school, the "colonies" get their future supplies of capital from, if not from London, and he proceeds to answer it as follows:—"After the war, Holland, in proportion to its population, will probably be the richest country in Europe. But the Dutch have their own large East Indian possessions to feed with new capital for development and, besides, like the Scotch, they are not only savers, but speculators. Scandinavia also will be much richer than ever before. It has already begun to lend on a small scale. But I know of no important external aid among capital markets except the United States. New York has already begun to help in Canada and Argentina. But the capital of the United States is not likely to go much out of America. It does not take easily to salt water." Mr. Hirst then alludes to the fact that since the outbreak of war the United States has loaned abroad in excess of a thousand million dollars. "But," he says, "no one who considers these figures and realizes what vast quantities of American securities Great Britain, France and Germany have sold back since the war can suppose that much further assistance will be forthcoming from New York after the peace, especially if Washington embarks on a costly war with Mexico."

It is stated in connection with the new business profits war tax that amounts paid in premiums for "business insurance" can be treated as rest and added to capital, but cannot be deducted from profits.