

FOURTH CANADIAN WAR LOAN

It May Be Issued in September—Conversion Privilege
Extended—Savings and Income Tax

The fourth Canadian war loan will probably be issued early in September, perhaps before the second offering (\$3,000,000,000) of the Liberty loan in the United States. It seems certain that Canada will itself be required to subscribe its next war loan, with the help, say, of \$25,000,000 United States subscriptions. A canvass of the situation indicates good prospects for the loan, if the government, the banks, the bond houses, the press and the people, particularly, will co-operate to oversubscribe another loan. There is a strong opinion, however, that steps should be taken this time to attract new subscribers, to cover new ground. The task of the finance department is admittedly a heavy one, and it will require their best efforts and the most substantial assistance of various interests to make the next loan a success.

Conversion of Previous Loans.

The way for the loan is being prepared. This week, it was announced, in connection with the improved position of Dominion war loan securities upon the market, it is probable that holders of the last two issues of Dominion war loan securities—namely, those maturing in 1931 and 1937, will be allowed to convert their holdings at the original issue price and accrued interest into any issue which may in the future be made with a maturity of 20 years or more. It is the desire of the finance minister that those who have been patriotic enough to subscribe to these issues, which had no right of conversion, shall be placed in as good a position as others who may subscribe to war loan issues in the future.

Savings and Income Tax.

The finance minister announced this week that saving is still to be encouraged and that any proposed income tax is not likely to touch the small investor. His statement is as follows:—

"It has been officially drawn to the attention of the government that the use of the expression 'conscription of wealth' in the debates in parliament and by public and other bodies outside of parliament, and by the press in its news reports, has caused a certain uneasiness among those whose savings constitute a vital factor in the business and industrial life of the Dominion, and are so essential to the credit and prosperity upon which our efforts in the continued prosecution of the war must largely depend. I desire to say on behalf of the government that there need exist no apprehension on the part of the public that any action of a detrimental character will at any time be taken with respect to the savings of the Canadian public. On the contrary, it will be the policy of the government in the future, as in the past, to encourage in every way possible the exercise of the thrift and economy resulting in national savings which have enabled Canada to maintain her credit and improve her economic position during the war.

Income Tax not Precluded.

"Any taxation to which it may be necessary for the government to resort from time to time will be in accordance with legitimate and established forms of taxation sanctioned by the traditions and experience of British self-governing communities. This statement, therefore, must not be understood as precluding legislation providing for income taxation upon those whose incomes are such as to make it just and equitable that they should contribute a share of the war expenditure of the Dominion."

RAILROAD EARNINGS

The following are the weekly earnings of Canada's trans-continental railways during July:—

Canadian Pacific Railway.			
	1916.	1917.	Increase.
July 7	\$2,616,000	\$3,101,000	+ \$485,000
Grand Trunk Railway.			
July 7	\$1,145,029	\$1,297,003	+ \$141,974
Canadian Northern Railway.			
July 7	\$ 885,100	\$ 902,300	+ \$ 17,200

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