

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.

Telephone: Main 7404, Branch Exchange connecting all departments.

Cable Address: "Montimes, Toronto."

Winnipeg Office: 1008 McArthur Building. Telephone Main 2914.

G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

One year	Six Months	Three Months	Single Copy
\$3.00	\$1.75	\$1.00	10 Cents

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

REGULATING ISSUES IN LONDON

The mills of the British treasury grind slowly but grind exceedingly small. When the treasury recently ordered that new loans were not to be made in Great Britain, without the consent of the British government, it was thought that a cold douche would be given to the aspirations of borrowers. Very few prospectuses have appeared in the English money markets since the treasury regulations went into force. Several proposed Canadian issues, it is understood, have been refused the necessary permission. The Dominion loan in March of £5,000,000 4½ per cent. bonds, maturing in 1920-1925, was the first Canadian flotation in London since the outbreak of war.

Although few prospectuses have been allowed to make their appeal to the public, applications for permission to issue new capital have been numerous. A London stock exchange authority says there have been as many as 150 in one day; while for several consecutive days they came in at the rate of about 80 daily, and within two or three weeks there were about 1,400. Copies of these applications are considered by the stock exchange committee in conjunction with the treasury officials.

Companies dealing with foreign enterprises get the shortest shrift. The British treasury desires to prevent money from leaving Great Britain except for purposes which the Imperial government endorses, and these are largely war purposes. As the promoters of new issues have to show that the money is required for objects to further national interest, most of the applicants in the British Isles have little trouble. The recent Canadian loan was to carry on public works in Canada. The Dominion's war financing has been a matter of direct arrangement between the Imperial and Canadian authorities. We are getting from Great Britain £2,000,000 monthly for war purposes. Canadian war loans will be floated later in the London market to repay these borrowings.

Great Britain is showing the world how to pick out big men to run a war and a nation's business, regardless of politics, patronage and piffle.

SEED GRAIN AND COLLECTIONS

The distribution of seed grain by the Dominion government to Western farmers is a good thing for the farmer, but the legislation certainly takes liberties with mortgage investments. The government's claim in respect of its seed grain advance will take precedence over every other claim. The discussion of the matter in the House of Commons last month was interesting. Mr. Pugsley thought that the whole transaction was entirely improper. "If a man or a company has lent money upon patented lands and taken security upon those lands," he said, "it is the most extraordinary step to pass legislation which will wipe away that first lien and place another lien ahead of it." Finance minister White admitted that he had had communications passed on to him from mortgage companies protesting against the government taking a lien in priority of their mortgages. He pointed out to them that the situation was exceptional and abnormal; that a vast district in the West had been visited by unprecedented drought; that if the government did not come to the relief of those settlers, not only would they suffer, but the security upon which their first mortgages was held would be greatly depreciated; that if the farmers failed to secure seed grain which would enable them to raise a crop next year, not only would their security be depreciated, not only would the farmers' crop of next year be not available to pay their interest, but it might well happen that a whole district would be depopulated, because of an exodus, and if that should occur the value of the security held by the mortgagees would disappear. Whether the mortgage companies and others who have invested money on western farm mortgages agree with these contentions, is doubtful.

The Dominion government has made agreements with the Alberta and Saskatchewan governments providing that liens are to be taken against the land for the advance of seed grain and that these liens shall be given priority over existing ones, the provincial governments to introduce legislation to that effect. Explaining the legislation, premier Borden said: "We think that the government ought to have the first lien because the money that the government advances not only preserves the property for the land owner himself, but makes the lien of the mortgage holder secure as it otherwise would not be secure. Under the circumstances, it is easy to see that it is not only reasonable but absolutely desirable, that the money advanced for this purpose should be the first lien on the land, because it is not only to preserve his interest in the land to the land owner, but to maintain the security of the lien holder and to make that land productive for the present year when otherwise it would not be productive."

Further explanation of the bill was given in the House by solicitor-general Meighen. He explained that the bill also takes security on the crop. "We get security," he said, "as to the land for all we advance, but we get priority only as to seed grain and fodder for animals. We get no priority as to other relief. As to other relief, we simply come on top; that is a matter to which we get no priority at all. As to advances for seed grain and fodder for animals, we get priority entirely. The government would, therefore, be in a position, if the circumstances warranted it, to relieve the mortgagees at as early a date as possible, by realizing, wherever possible. I believe it will be the desire of the farmers to be released from these obligations, wherever possible, and thus restore the conditions which, by necessity, are somewhat dislocated by the legislation." He added, in reply to questions, that