

## WAR LOAN AND BOND BROKERS

### Bond Brokers Ask for Better Treatment in Regard to the Second War Issue

Bond houses are making preliminary arrangements for the part they will take in the marketing of the next war loan. They have in the aggregate many thousands of patrons and since the flotation of the first war loan, their lists of clients have been extended considerably, including a number of investors hitherto not very familiar with bond investments. Of the former war loan, Canadian bond houses handled, probably, 40 per cent. of the business, despite the fact that the banks and the life insurance companies, whose subscriptions were very large, placed none of their business through the brokers.

As the issue of the second war loan is but a few weeks distant, it is proper to recall that considerable dissatisfaction was expressed by a number of bond houses at their treatment on the occasion of the first loan. The complaints heard and recalled now are best put in the following statements of brokers: "A number of banks," they say, "refused to accept subscriptions to the first war loan, when the subscription forms bore the stamp of a bond house. In a number of cases the stamp was scratched out, obliterated by pencil marks or cut off altogether. Some branch bank managers appeared to have an erroneous idea that if the bond houses obtained a commission for subscriptions to the loan, the banks would not obtain their remuneration. Consequently, these men seemed to do their utmost to block the bond houses from getting credit for their subscriptions. The bond houses were all behind Sir Thomas White with their selling organization, and they expended much labor and money in helping to float the first loan. There was no legitimate reason, therefore, for such action on the part of many branch bank managers.

#### Known Ahead of Time.

"A week or more before the prospectus was issued, most, if not all, of the banks had in their possession full information respecting the loan. On the other hand, the government refused to give the bond houses any information regarding the loan until the day the subscription lists were opened. This meant that the bond houses had to use at least the first day (after the loan was opened for subscription) in getting their circulars and other selling matter in shape for mailing. The banks, therefore, had practically the whole of the first day of the loan offering, which is invariably the best day, all to themselves. For a week prior to the first day, the bond houses had no official knowledge on which to prepare their circulars, yet the banks were all this time in possession of the government circulars, which the bond houses were not permitted to see. We claim that this was unfair to the bond houses. No objection is raised to the banks being made the medium of the loan, for that arrangement is an admirable one. All we ask is that the banks and the bond houses be granted equal privileges.

#### Life Insurance Subscriptions.

"On the last occasion, the subscriptions of the life insurance companies to the loan were made direct to the government. It would be more fair if the life insurance companies' subscriptions were made through the bond houses. Those companies are our regular customers. We are selling bonds to them throughout the year. The sale of the war bonds to the insurance companies should be put through the regular channels of business.

"We hope that these points will be given proper consideration by the finance department in regard to the second war loan next month."

Mr. James Carruthers, who is making a trip through the Western wheat belt, summing up results of his visit, on his arrival at Edmonton, says: "Crop prospects at present in the Canadian North-West could not be better. They are uniformly good over all lines, and with a continuance of fine weather it looks as if Canada were going to be favored with another large crop. A few sections are damaged by hailstorms, but this happens every year. I never saw the country looking so well in the districts covered by the Grand Trunk Pacific between Winnipeg and Edmonton. Business conditions are very quiet, but it is believed that if the country pulls off another large crop this fall that they will improve very fast."

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