

succeeding case. Unforeseen circumstances delayed other batches of requisitions still later. The patterns of transport wagons and other vehicles were under consideration for some time. Until these were settled, nothing could be done towards buying. This also delayed the contracts for harness, tarpaulins, etc.

From time to time, even up to the present, changes and additions to the establishment were found necessary or advisable; and each of these invariably resulted in a fresh batch of requisitions for clothing and stores, supplementary to the earlier ones, to meet the new requirements.

Certain of the supplies required were procured under contracts which are now in force and have been for some years past. These cover the supplies of uniform clothing of all kinds: cloths, serges, frieze and denim for clothing; cordite, rifles and tents. Such supplies were, therefore, ordered as a matter of routine from the regular departmental contractors.

Where Some Contracts Went.

In the case of the cloths, serges, etc., the regular contractors, the Rosamond Woollen Mills, the Paton Mills, and the Trent Valley Mills, could not supply us fast enough, and hence the Forbes Mill, of Hespeler, and the Auburn Mill, of Peterborough, were given supplementary contracts. Other mills were tried but without success.

This was a matter of the most extreme urgency, since the clothing had to be made after the mill had made up the material—and all within six weeks' time.

The coffee and tea for the militia in Quebec province were under contract since April 1, with Montreal firms. A supplementary contract was also found necessary in this case: Messrs. S. and H. Ewing & Company, Montreal, being the new contractors.

The food for men and horses was contracted for only after competitive tenders had been obtained. Contracts went to the lowest tender. Contracts for vehicles of all kinds were made by an extra-departmental agent, Mr. T. A. Russell, of the Russell Motor Car Company, employed by the minister. Mr. Russell's expert knowledge of the subject was of great advantage to the department, and the arrangement was certainly in the public interest. All his transactions were authorized by the minister, in writing, upon Mr. Russell's report; and orders in writing given the contractors by the director of contracts to confirm.

The procuring of raw material for the manufacture of small arm ammunition required the greatest promptitude. Large supplies of steel, copper, nickel, lead, spelter and other metals were required; and the specifications, especially for steel and copper, were very exacting and hard to meet. It was of the utmost importance to get this material with the least possible delay; not only to speed manufacture but to forestall other bids and a certain advance in the market price. Moreover, quotations for copper, at least, are always subject to immediate acceptance. The steel was ordered from the last contractor, the Crucible Steel Company—probably the only concern available, since the British supply was temporarily cut off.

Lead and Copper.

Tenders for lead and copper were obtained by telegram and telephone, and contracts made with the lowest tenderer. The spelter was ordered from the last contractor. The nickel had hitherto been procured direct from the Mond Nickel Company, of England, and as this source was temporarily cut off, much difficulty was experienced in getting the necessary supply. Eventually, this was procured. The prices in all these cases were fair and reasonable, taking into account the market rates and the special requirements of the departmental specifications. The procedure followed in the case of all supplies of clothing and stores not already specifically dealt with, was to obtain tenders if possible; or give repeat orders at prices fixed by competitive tender within the last twelve months; or to fix a price for the contractors' acceptance. In certain cases, the contractor submitted his quotations. In every case, however, prices were subjected to careful scrutiny by experts who have been buying supplies of the kind for years past.

Seventy-two companies have been allotted orders for the machining and assembling of the orders for shrapnel shells and 67 are now manufacturing the various component parts required, making a total of 139 companies now employed on this work in Canada. The memorandum also gives a great deal of other interesting information.

"HAWKING" BONDS SPOILS THE MARKET

The United States market is open only to the best class of railroad, public utility and municipal and government issues. It is an exacting market, demanding only the most gilt-edged securities and subjecting the borrowers to many restrictions which have been hitherto unobserved by some of our borrowers, is the statement of Mr. R. D. Bell, of Messrs. Greenshields and Company, Montreal. These requirements are such that no intending borrower should approach the American market without the assistance of a Canadian bank or investment house familiar with the customs of the financial communities in the United States.

Above all, if Canada is to secure full advantage from the receptive attitude of the American lender, an immediate stop must be put to the indiscriminate offering of the same loans by different persons in that market and the utmost care must be exercised in preparing the offerings and bringing them to market properly.

The "hawking" of securities in New York, the attempted negotiation by unqualified individuals of offerings not properly prepared, and the treatment of prospective buyers in the unbusinesslike manner exhibited recently by two leading municipalities are all matters, well known to bond men here, which have injured us in the market-place from which we are anxious to secure funds. The growing demands on the American market from other countries and from home sources will be such that only the most fit will be accepted. It is highly important that municipalities and borrowers should not further prejudice opportunities, and to that end, that the greatest care should be exercised.

QUEBEC PROVINCE SEEKS LOAN

The Quebec provincial government is seeking authority to contract a temporary loan of \$10,000,000. The term will not be more than ten years and the rate of interest not more than 5 per cent. per annum. A bill which the Hon. Mr. Mitchell has introduced in the provincial House to this effect set forth that, owing to the great war at present being waged by the British Empire and its Allies, and the industrial and financial conditions incident thereto, the money markets of the world are so affected that it is impossible to negotiate at a reasonable rate any securities bearing interest at a rate of 4½ per cent. or less. In view of the exceptional circumstances authority was, therefore, asked to issue a ten years' loan bearing interest at one-half per cent. higher.

Of the \$10,000,000 raised under the loan, Mr. Mitchell added, \$4,000,000 was to recoup the Bank of Montreal for a temporary loan made on December 1st, 1914. Part of the \$4,000,000 went in expenses occasioned by the war. The remainder of the \$4,000,000 was used to recoup the consolidated revenue fund for money expended on permanent work. After the Bank of Montreal loan of \$4,000,000 had been met, the balance of the new loan would, Mr. Mitchell explained, likewise go into the consolidated revenue fund, for any advances already made, or which might be made. The bill provided also that the proceeds of any future permanent loan should first be applied to redemption of the special loan for which authority was now asked.

Another bill of Mr. Mitchell's increases the total loans which the Government may raise under the Good Roads Act from \$10,000,000 to \$15,000,000.