

payment of common stock dividends, and that in the not distant future. One must remember however that some of the companies had been over-liberal in their dividend policies in the past, that some had been unable to pay common stock dividends for some time, and that dividends on preferred stocks and even the interest on bonds had been deferred. Cumulative dividends on preferred stocks will have to be paid before dividends can be paid on common stocks. In any case the companies should first pile up ample reserves and a considerable contingent account to cover possible losses on plant and materials before any payment is made to shareholders of any kind. Moreover, provided a payment of profits to common shareholders may prove justifiable, that payment should take the form of a bonus rather than be recognized as a regular dividend. Once the war is over and New York begins to dispose of her Canadian securities, the decline in price will be rapid for the Canadian markets cannot absorb a large volume of stocks at high prices in a short time. In the meantime speculation is simply one form of betting on the duration of the war.

#### Post-War Conditions.

Already the steel companies have begun to speculate on the prospects of post-war business. Mr. Plummer of the Dominion Steel Corporation is rather optimistic; persons interested in the Steel Company of Canada are less cheerful. The optimists believe that the reconstruction of Europe will call for much iron and steel; indeed the iron and steel industry of the world is apt to profit most by reason of that factor. There should be a certain demand for structural steel, rails and building supplies such as occurred after the San Francisco earthquake. Some believe that domestic railroad building will increase the demand for rails. Some reliance too is placed on the possibility of retaining some of the foreign business which may be secured during the war. The Dominion Steel Corporation, located as it is on the coast, has a special advantage in this respect but it does not produce structural steel.

Nevertheless it seems doubtful whether the post-war business will equal the feverish demands that may be expected to continue while the war lasts or that existed while Canada had her boom days. British engineering firms, relieved of the pressure of the demands of the munitions department, will get a large part of the orders for structural steel, which by the way being bulky is costly to transport. The demand for steel for agricultural implements is certain to decline when the price of wheat falls as it inevitably will and it is doubtful whether the railroads will spend such a large amount of new capital as in the past. Some of the new plants for shell making will be next to useless; the forge plants for instance will have a capacity far in excess of the domestic demand for forgings. Some of the best financiers are already anticipating a two years depression beginning within a year after the signing of peace. One may reasonably expect that the steel companies of Canada will, as usual, be depressed after the war when general economic depression will likely prevail. Conservation of the liquid resources of the steel companies and caution in investing in steel securities will therefore not be out of place. One may well beware of the securities of companies that do not give full and adequate information respecting their financial conditions and financial policy.

#### IN A YEAR FROM NOW

Mr. M. Goor, consul-general in Canada for Belgium, writes *The Monetary Times* as follows: "Almost the whole of my unfortunate country is occupied by the enemy and as a consequence, emigration and foreign trade have practically been stopped in Belgium."

"As soon as the Belgian nation recovers its territory and is able to return to commercial life, I shall consider it as a privilege to write an article for *The Monetary Times* on Canadian-Belgian relations."

Up to the end of October 31st, 1915, 12,221,117 pounds of raw beetroot sugar, equivalent to 11,315,840 pounds of refined sugar, were obtained in Canada from 48,197 short tons of sugar beetroot. At the same date last year the corresponding figures were 12,295,200 pounds of raw sugar from 48,480 short tons of roots worked.

## FRANCO-CANADIAN TRADE IMPROVING

Principal Imports from France Last Year—French Capital Here May Be \$150,000,000

BY C. E. BONIN.

Since the beginning of the war, France and Canada have done a great deal to improve and develop the trade relations between the two countries. These efforts have chiefly in view the substitution of French or Allied import trade for Austro-German importation, and also creating new fields for Canadian exportation.

Germany and Austria had flooded Canada with their goods. These goods can be supplied by France and her Allies on better terms, and this problem is being carefully studied now by the French Chamber of Commerce of Montreal. The future seems already brighter. New manufactures will be started to fill Canadian requirements. Many commercial branches somewhat neglected until now will henceforth take on a new impetus.

Chemicals and toys, for instance, came almost exclusively from Austria and Germany. Steps have been taken in France to export these articles on a large scale. After the war, the trade relations between France and Canada will be established on a more solid basis. There will be undoubtedly difficulties to overcome renewed efforts of enemy competition to regain the place it once held, but at that time, the French foreign trade will be better prepared to enter this economic strife than it was before the war.

#### Principal Imports Last Year.

The following are the principal imports from France into Canada for the year 1915:—Books, periodicals, photographs, chromos, shoes, wire, brushes, buttons of all kinds, automobiles, wagons, celluloid, church vestments and ornaments, clothing, white and ecru lace, underwear, velvet, plush, cotton goods, drugs, dyes, chemicals, glue, glycerine, drug specialties and patent medicines, table ware, china, agate or enameled ware, cooking utensils, electric fixtures, embroidery, fancy boxes, writing desks, tassels, braid, tinsel, feathers, fruit, preserves, desserts, magic lanterns and cinematographic apparatus, aluminium ware, musical instruments, paper, perfumery, precious and reconstructed stones, cheese, canned meat and poultry, silk goods, Marseilles soap, toilet soap, Cognac, liquors, wines, vermouth, champagne, watches, wool and woolen goods, dry goods, flannel, etc.

#### Immigration and Investments.

In regard to the French colony in Canada, the census returns for 1911 give 17,619 as the number of residents of French origin here. If we add to this number the French immigration into Canada, figured at 2,000 per annum before the war and the births among the French families in Canada since 1911, and if, on the other hand, we deduct those who have gone back to France during that time, we may estimate at about 25,000 the number of French people who were living in the Dominion when war was declared. Thousands of these have gone back since then to answer the call for military duty, but we must hope that many of them will come back to us.

The French imports and exports, which had notably increased since the treaty of commerce between France and Canada was put in force in 1910, have been greatly modified, to the advantage of Canada, since the beginning of the war, on account of the large contracts placed here by the French government, as may be seen by the following returns taken from the weekly bulletin of the department of trade, Ottawa, October 4th, 1915, No. 610:—

	Imports to Canada:	Exports from Canada:
France:		
July, 1913-1914 .....	\$13,558,892	\$4,328,325
July, 1914-1915 .....	6,424,331	25,166,471

The present situation is, therefore, very favorable to Franco-Canadian trade. It will improve still more.

It is somewhat difficult to estimate the amount of French capital invested in Canada. According to a diagram published by the economist, Alphonse Neymarck, there should be in the neighborhood of \$600,000,000 dollars invested in the United States and Canada. The share of the latter country in this investment, according to some well-posted people, should be either one-fifth or a quarter of the total amount.