

## Affairs in London

(Exclusive Correspondence of The Chronicle.)

### Scottish Capital and Canada—Growing Demand for Bearer Bonds—Cockshutt Plow Company's Issue—Canadian Banks in London.

The output of new Canadian issues continues unabated, and it is rarely that we Londoners take up our daily paper without finding one or more offers of new capital in connection with Canada. Canadian affairs are particularly attractive just now in Scotland. The saving classes of Scotland are putting a very substantial portion of their capital into Canada either in the shape of debentures of the numerous joint stock trust and mortgage companies which have their headquarters in Scotland or into farms and plots of land sold through the various land companies which now have agencies in many towns. The Scottish newspapers devote a big space of their daily issues to news respecting Canadian affairs and the emigration offices are particularly active among the farming class of the country. I hear that another big Canadian investment company directed by several prominent Scottish men is shortly to make an issue.

#### THE GROWING DEMAND FOR BEARER BONDS.

I have referred in previous letters to the growing demand for bearer bonds, with which the British investor has become familiar during recent years as a result of the increase of investment in foreign and colonial securities. The English Association of American Bond and Shareholders now announces that it has perfected a scheme under which the Association issues its own certificates against American and Canadian shares in its own name, lodged with the London County and Westminster Bank, by whom the certificates are countersigned. Interest coupons are collected as they fall due, and cheques forwarded to the holder of the bond or his nominee. This system renders unnecessary the cumbersome and inconvenient method of registering bonds in the ordinary way, which means sending them to the office of the Company in Canada, to be placed in the name of the holder, who, if he subsequently wishes to sell, has to go through the process again in order to have the bonds converted once more into bearer form to make them marketable. As your readers may be aware, trustees on this side are prohibited from investing in bearer bonds, although issues of this kind give a higher yield than registered stocks.

#### THE COCKSHUTT PLOW COMPANY.

The Western Canada Trust is offering through Parrs Bank \$3,750,000 7 p.c. cumulative preference shares of \$100 each in the Cockshutt Plow Company. The Company, the prospectus states, acquires as a going concern the business of the Cockshutt Plow Company, which has been in operation for nearly 30 years, and has during that time established its reputation as one of the leading manufacturers of ploughs in the world. The Company becomes entitled to the profits of the business for the current year, ending on June 30 next, subject to paying interest on the purchase consideration receivable by the old Company as from July 1, 1910, to the date of completion of the purchase.

The balance of these profits, together with the sum available out of the proceeds of the shares now offered for sale, should provide the new Company with additional capital of approximately \$400,000, of which about \$400,000 have been spent during the current year in the further extension of the plant. The Company owns large works at Brantford, Ontario, and freehold warehouses at Brantford, Winnipeg, Calgary, Saskatoon, and Edmonton. Smaller ware houses are leased at Regina, Brandon, and Red Deer. The property at Brantford covers more than 33 acres. The net profits for the three years ended June 30, 1910, were \$225,427, \$403,485, and \$675,110 respectively, while the profits for the nine months to March 31, 1911, also after providing for depreciation, are, according to Mr. Cockshutt's estimates, approximately \$700,000.

#### CANADIAN BANKS IN LONDON.

In its annual exhaustive banking supplement, the Economist discusses the rise in importance in London of colonial and foreign banks. With regard to the Canadian banks, the Economist points out that last year the number of their offices in London was increased by the opening of the Royal Bank of Canada's branch, and proceeds appreciatively:

The rapid progress of banking in North America and the healthy lines along which it has developed is a fortunate incident in Canadian development. The system in its main outlines is built up on British lines, but it has been modified to meet the peculiar needs of a new country, until it now represents an instrument at least far more efficient than that of its neighbours in the United States. As Mr. F. Williams Taylor recently pointed out in a paper before the Royal Society of Arts, the banks of Canada are much more closely connected with industry than in this country; the whole timber trade is carried on, and the crops are moved through their agency, while a great deal of retail trade depends on them for support. The Government regulations for the formation of a bank are strict, but the currency system is essentially elastic. Although there have been one or two failures of smaller banks since the Currency Law was passed in 1890, the 'Circulation Redemption Fund,' which guards the note-holders against loss, has not been touched, and the system has obtained absolute confidence. The multiplication of branch banks is a sure sign of progress. Twenty years ago chartered banks in Canada had about 102 branches in all, of which only 26 were west of Lake Superior. At the end of last year, the number of branches in the West and in British Columbia had reached 823, or more than a quarter of the present total of 2,321 branches."

It is already evident that the Economist in its next year's record will have to chronicle a further advance on the part of the Canadian banks in London since, as your readers are aware, the Dominion Bank opens its new London branch on July 1.

#### WORKMEN'S COMPENSATION BUSINESS.

Two of the British fire tariff offices are said to be considering the advisability of discontinuing workmen's compensation business with the exception of one or two of its least hazardous classes.

LONDONER

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CANADIAN FIRE UNDERWRITERS' ASSOCIATION.—A meeting of the C. F. U. A. was held at Toronto this week, but no business of importance was transacted, beyond the ordinary routine.