WILL ENGLISH CEMENT COMBINE

Enter the Canadian Market? — Story is Now Given More Definite Color.

Statements have been made many times during the past year that the Associated Portland Cement Manufacturers, Limited, contemplated the establishment of cement mills in Canada. The Canadian Gazette, of London, refers to the possibility of this company entering into arrangements for closer working with the Canada Cement Company.

"It is a contingency," it says, "which may be regarded as a practical one, and likely to assume concrete form in the near future. The Associated Portland Cement Manufacturers' Company has recently announced its intention of establishing works and depots at various places abroad, and the reason that Canada was not specifically included in the list of countries mentioned is that, as we are informed, the directors contemplate that they will be able to make arrangements with the Canada Cement Company which will preclude the necessity of erecting premises in the Dominion.

Will Not Compete.

"We do not suggest that the Canada Company will become an integral part of the English concern, but matters will, we understand, be arranged in such a manner as to place the interests of the two concerns upon a mutual footing instead of, as at present, working in competition. Such a scheme has much to commend it, and we know of no reason against the policy which the directors of the two companies have under consideration; on the contrary, there is every prospect that the fortunes of the Canadian company will continue to improve, and for this reason the policy of a closer understanding appears to be commendable."

Canada Cement Company Does Not Know.

Mr. F. P. Jones, general manager of the Canada Cement Company, was shown a despatch from London to this effect and stated that he knew of no working arrangement with English interests.

The Associated Portland Cement Manufacturers, Limited, recently issued in London £600,000 5 per cent. second debenture stock. It looks as though this stock issue has a direct bearing on the company's Canadian plans. The prospectus says in part:—

"The present issue of capital is made partly for the general purposes of the company, and also in order that the board may be in a position to take full advantage of opportunities for the development of the business and its extension in directions which should add considerably to the profits. The directors' policy includes the erection of works in certain colonies and foreign countries in which the company's brands already hold a commanding position, and in which the directors feel that prospects of success are assured. Definite propositions in this connection are now being dealt with by the board."

LONDON BANK FAILURE.

A London dispatch says that the failure of the Birkbeck Bank in this city last week had been expected in financial circles, but not by the general public; hence it is not easy to gauge its precise effect. The Birkbeck had more than one hundred thousand depositors, mostly people of small means.

It had been honestly managed, but it got into trouble because of the heavy depreciation of consols and kindred securities in which its funds were invested. A quite insufficient amount had been devoted by the management to writing off depreciation.

Probably the bank will pay in liquidation seventeen shillings in the pound. Other banks have already arranged to advance ten shillings in the pound to the depositors, and the event is not likely to cause disturbance in floating credits unless the trouble spreads. It is impossible, however, wholly to ignore the fact that the causes lying behind the depreciation in home stocks, which caused the failure, still continue. For one thing, the constitutional crisis is likely to become acute again after the Coronation.

It is believed that the government itself has at length become sufficiently disquieted over the fall in consols—which this week went below 80 again—to have decided on supporting the market for them. General credit is sound; the troublesome factors being the congestion caused by the last year's over-issues of new securities and the unfortunate partiality of investors to stocks with a high interest yield and a smaller margin of safety.

Mr. McBride, president of the Dominion Life Underwriters' Association, was the guest of the Brandon Life Underwriters' Association at their recent meeting, when he delivered an address which enthused the members. A special committee was formed to make arrangements pertaining to the Dominion Convention at Winnipeg in July.

FAVORED NATION CLAUSE

May Affect Proposed Reciprocity Agreement—Report on Subject Has Been Made by Secretary of State Knox.

There may yet be considerable trouble for the proposed reciprocity agreement in respect to the favored-nation phase. Secretary of State Knox, of the U.S., when recently before the American Senate Committee in executive session was closely interrogated on this point. At the request of the committee he has also filed with the committee a memorandum relating to the most favored-nation clause in which he says in part:—

"The precedents show that the policy of the United States Government has been uniform and consistent for a century past. The position of the United States has been so frequently reiterated in diplomatic correspondence that it would seem to be well known to the foreign governments. Inasmuch, however, as the treaties of the United States are when duly ratified and put into force the supreme law of the land, it is of the highest interest to ascertain the decisions of the competent courts.

Construction of Clause.

"This question of the construction of the most favored-nation clause has been carefully considered and decided by the Supreme Court of the United States in at least two cases, and quotations from the decisions in these cases are contained in the inclosed memorandum. These decisions support fully the contentions of the Department of State made hitherto on numerous occasions.

"The decision of the Supreme Court in the case of Bartram vs. Robertson relates to the most favored-nation clause with the equivalence feature contained in our treaty of 1826 with Denmark. While the case of Whitney vs. Robertson relates to the most favored-nation clause without equivalence feature contained in our treaty of 1867 with the Dominican Republic, which was subsequently terminated, the recent decision by the Court of Customs Appeals relates to the unmodified most favored-nation clause in our treaty of 1815 with Great Britain. The position of the Government of the United States in this matter would therefore seem to be established definitely and unequivocally."

Position of the United States.

The complaint is made, says the Washington correspondent of the Journal of Commerce, that the position of our Government, however "definite" and "unequivocal" it may be as stated by Mr. Knox, is not at all clear, inasmuch as we have never had a situation precisely similar to that which will be produced under the reciprocity treaty with Canada should that document be adopted. Precedents transmitted by Mr. Knox, the material for which was taken from the manuscript diplomatic correspondence of the United States, show that the position of the United States in the past has been that when certain concessions were granted by this country to another, a third country having a most favored-nation clause with the United States might properly claim the advantage of the same concession by stating that it was willing to offer the United States a concession equivalent to that which was granted in the original interchange between the two countries negotiating the reciprocity agreement in the first place.

May Mean Revision.

Secretary Knox's discussion of the matter when before the committee was considered by some members so incomplete that further resolutions of inquiry are expected to be introduced shortly in the Senate.

The most favored-nation aspect of the Canadian treaty is also expected to be dealt with when the minority reports of those who opposed the agreement in the Finance Committee are filed. The point will be made both then and in debate on the floor that the reciprocity agreement will commit the United States to a thorough revision of their maximum and minimum tariff system, necessitated by the claims that will be filed by foreign countries which have most favored-nation agreements or minimum tariff arrangements with the United States.

"In Great Britain to-day there is a greater interest in Canadian investments than there was twelve months ago," was the statement of Mr. A. W. Pryce Jones, of Pryce Jones (Canada) Ltd., in talking of his recent trip to the Old Country. "There is decidedly a greater interest in Canadian investments," he said, "than in those of any other country. Most of the Canadian issues put on the British market, while I was there, met with success." The increased interest in Canadian investments shown in the Old Country, Mr. Pryce Jones ascribed to the wonderful development of the Canadian northwest and to the faith which past Canadian concerns had engendered at home.

The work of surveying the route of the proposed waterway from Winnipeg to Edmonton, is being continued under the direction of Mr. Voligay, of the Public Works Department, Ottawa. By diverting particular attention to the problem of reservoir storage dams, a great deal of costly dredging will be avoided. The waterway, when completed, will provide for a ten-foot channel from Winnipeg to Clear Lake and six-foot from that to Edmonton. The work of construction will be commenced shortly after the surveys are completed. As compared with other Canadian waterways, most of the construction will not be heavy as there are long stretches of navigable water.