

# The Chronicle

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R. WILSON-SMITH, *Proprietor.*  
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## BASIC BUSINESS CONDITIONS IN CANADA.

A cereal crop that will bring well on to \$160,000,000 to the farmers of the three prairie provinces—such is the well-considered prediction of the Canadian Bank of Commerce. Canada's production of all field crops will undoubtedly have a total farm value of over a half billion dollars. Combined with \$400,000,000 of British capital finding its way into Canadian channels during 1908 and 1909, this cannot but bring about continuance of business quickening during the next few months. Immigration, too, is bringing in to the country at least \$50,000,000 a year in cash and settlers' effects.

It is not to be overlooked that capital borrowed from abroad is an accumulating debt, and that caution is always in order. But, properly put to developmental use, such funds should not only promote present prosperity, but make due provision for their own security.

Meanwhile, it is not surprising that the upward movement in trade is what attracts most general attention. That the revival is real admits of no doubt. Foreign trade returns, bank clearings, traffic earnings, stock market quotations, bank loan items—these are among the external signs of underlying activity. Building permits in leading Canadian cities compare as follows for the first seven months of the year.

	1909.	1908.
Montreal.....	\$ 4,367,202	\$1,836,633
Toronto.....	10,683,480	6,234,245
Winnipeg.....	6,413,250	3,639,500
Vancouver.....	3,967,502	3,990,170
Victoria.....	372,120	1,161,320
Calgary.....	1,131,390	472,640
Fort William.....	2,165,680	1,285,710
London.....	631,597	247,450
Peterboro.....	193,223	89,573
Ottawa.....	3,367,765	1,140,325
Halifax.....	423,535	425,231

Across the line, much comment has been made upon the iron and steel trade's indications. So basic an industry is, not without reason, considered barometric of general business conditions. United States steam and electric railroads alone have placed orders for rolling stock amounting to about

\$175,000,000 since January 1, according to statements made by officers of large corporations engaged in the manufacture of equipment. This is a large increase over last year, though the equipment companies are not yet back to normal. And thus it is all along the line—recovery in building and manufacturing activity has been calling for increased output of basic material.

In Canada similar conditions prevail, with this favourable difference,—that the iron and steel trades here did not experience such hard times as in the United States. Railroad construction continued steadily throughout 1908, and was naturally a helpful factor in the situation.

That the manufacturers of Canada are now preparing for "big things to come" is evidenced by the demand for new machinery, and by the plant extensions that are being made. "The distinguishing feature of the iron trade at present," said a manufacturer of machinery recently, to a representative of the *Toronto Globe*, "is the great demand for steam boilers. During the past three months our business in the matter of steam boilers has been more than double what it was a year ago. The largely increased demand is, of course, an indication that manufacturers are meeting improved conditions of trade or preparing for them by renewing or extending their plants. If they were not doing better business they would not be removing their old boilers and putting in new ones. Some firms are increasing their boiler capacity by 100 per cent., which is a pretty clear indication of a largely increased output. Recently I made trips to both the East and West and in almost every town I observed additions being made to manufacturing plants."

Equally indicative of trade recovery was this same manufacturer's report concerning the conditions in the steel industry. "Four months ago," he said, "we contracted for steel at a quotation lower than any we had obtained during the previous four years, but since then the price has advanced twenty per cent., which goes to show a pretty strong revival."

Except for continued dullness in shipbuilding, all branches of the iron and steel trades in Canada are characterized by notably growing activity, whether the output be agricultural machinery, kitchen stoves, or workmen's tools.

Typical of the opinions of manufacturers throughout Canada is the following statement from a leading firm of implement manufacturers: "The outlook for business should be good—first, because, with the exception of a few more or less restricted areas, the farmers of Canada have had an exceptionally profitable season. This is sure to be immediately reflected through the retailers to the manufacturers. Stocks of merchandise owing to caution engendered by the depression of the past year or two, are, on