

## CANADA IN LONDON

Canadians in London are discussing which is the better site for the Canadian Government House there—Aldwich or Westminster. *The Monetary Times* votes in favor of Aldwich. There is a certain heavy atmosphere in the Westminster district, which is very appropriate perhaps for Westminster, but not for the London office of a young country like Canada, with its vigorous climate and appealing prospects. Aldwich is young London and that seems to be the suitable centre for Canada's representation.

## AN INTERESTING EXPERIMENT

Calgary is the first city in Canada to undertake as a municipal department the construction and operation of an industrial service building. For the \$250,000 appropriated by the large favorable vote of the rate-payers, a six-story concrete structure will be erected and leased to incoming manufacturers. It is anticipated that by getting a start in this way, small industries will be encouraged, soon outgrow their temporary quarters, and go out to build more extensive accommodation for themselves. The advantage primarily to the newcomer is that he retains his capital in the form in which he can most profitably use it. To the people at large this plan offers an inducement to small manufacturers which, instead of being a tax, as is the bonus idea, is a revenue producer from the beginning. The Industrial Bureau of Calgary is responsible for having pressed the question before the attention of the city council and ratepayers. The experiment will be watched with interest, if not with trepidation.

## CAPITAL AND THE LONDON MARKET

Seven recent issues in London left \$37,000,000 with the underwriters, of which \$18,000,000 were on account of five Canadian loans. That fact is a clear index to conditions in the London money market. The underwriters took more than 50 per cent. of the Dominion, Edmonton City, Vancouver City, Alberta Province, and Vancouver Power Company's issues. They also took 92 per cent. of the New Zealand Government loan of £3,500,000 4 per cents. which was issued at 98½. The underwriters of colonial loans on the London Stock Exchange then agreed among themselves to refuse to underwrite further until the New Year, when it is hoped the recent issues will be digested by the public. Montreal city is waiting to float a loan of \$11,900,000, and this will probably be withheld for the time being.

The conditions in the market naturally are to an extent, temporary. Some months ago, a similar glut of securities existed, and the underwriters refused to sponsor any more issues. Recently it was thought that the market was ready again for a supply of new securities. The events of the past few weeks have proved that the market was not ready. There is only one thing for Canadian borrowers to do—there are a large number waiting to enter the market—and that is to be patient until conditions improve and expert advices are received that loans may be made, probably with some success. That is a difficult task, especially for those rapidly developing municipalities which must have funds to finance the improvements necessary to accommodate constantly increasing population.

But after all, the check in securities issues is but a passing phase. Other facts must be recognized and they are apparently permanent factors in the situation. The demand for capital has increased greatly in the past few

years. The same explanation is given by many authorities. Mr. Albert S. Bolles, sometime professor of banking at Pennsylvania University, for instance, in a recent article states that the enlarged call for capital comes from two well-defined sources: the need of the merchant for more capital in consequence of the higher prices he must pay for his merchandise, besides the additional capital needed for business extensions. The other enlarged demand comes from the railroads and other great enterprises for the extension of their business.

In short, as Lord Milner stated at Birmingham the other day, it will be a long while before we again see anything like "a glut of capital" of which it was once the fashion to speak. As he aptly put it, "capital is no longer prepared to serve on the terms which it was formerly willing to accept. It has, so to speak, struck for higher wages. A vast demand has been made upon capital by the rapid development of so many new countries and the simultaneous awakening into great industrial activity of certain old countries. There has never been a time when so many new countries are rapidly growing all at once and pulling all at once on the surplus capital of the old countries. In time, no doubt, they will be better able to help themselves, and the pull will diminish."

It will likely be a great many years before that point is reached. Canadians know well what immense development work lies ahead in Canada, entailing heavy borrowing for a lengthy period. Other countries also are strong bidders for surplus capital, such as, for instance, Argentina, the South American Republics, the West Indies, India, Japan, and self-governing dominions other than Canada. The scramble for capital will continue. Few countries there are which have any considerable amount of surplus capital. These include chiefly Great Britain, the United States and France.

Canada, therefore, will have to take its chance in the scramble. In the past, it has come out with pretty fair handfuls of cash. Canadian securities will have no better an opportunity than that of other countries, except it be that the terms of the offerings exactly suit market conditions and the offerings themselves are without blemish. How important it is for Canadian credit to be maintained at a high standard by placing only first-class loans in London, is obvious. The British investor has a wide choice of good securities in many lands. Which should be a sufficient hint to the Canadian borrower.

## SASKATCHEWAN TAX PROCEEDINGS

Several complaints have reached *The Monetary Times* to the effect that the Saskatchewan government is not as lenient as it might fairly be to property owners whose taxes have not been paid. Here, for instance, is a notification from the secretary-treasurer of one of the municipalities which seems to read rather harshly:—

"Take notice that the hail insurance tax has to be paid to the secretary of the municipality on or before the first day of October; in the event of the fund then in the hands of the commission not being sufficient to pay all losses in full the same shall be paid pro-ratio. If all the taxes, due to this municipality, are not paid within 30 days from the date of the enclosed tax notice, steps will be taken at once to forfeit the land or to collect the same by distraint without any other notice."

There is little need surely for such drastic proceedings in a rich agricultural and progressive province like Saskatchewan. Probably the costs connected with forfeiture proceedings would sometimes exceed the original tax bill.