SURVEY OF THE WEEK

British Capital Interested in Canada.

On his arrival from England last week, Major-General Sir David Watson, in an interview, said that what he had noted in England was that English capitalists and the public generally were taking an unqualified interest in Canada. British financial circles were enthusiastic over the organization of the Empire Steel Corporation, and he knew of three companies that had been organized with a capital of $100,000 each, to exploit oil in Western Canada. This, he said, was only a prelude to what would follow as soon as the political horizon cleared in England and conditions improved.

Life Insurance Sound in Canada.

Speaking at the fourteenth annual convention of the Association of Life Insurance Presidents held in New York last week, Mr. T. B. Macaulay, president of the Sun Life Assurance Company, Montreal, said it was a matter of some pride to Canadians that no person had ever lost a dollar through the failure of any Canadian life insurance company. Declaring that Canadian insurance men did not regard their branches in the United States as "foreign," Mr. Macaulay added:— "It is not in our hearts to speak of our American friends as foreigners. We look upon you merely as our brothers who have set up business on your own account, while we prefer to stay in partnership with the old firm."

Canadian vs. New York Funds.

Justice Maclennan has reserved judgment in the Superior Court at Montreal in an interesting case involving the question of exchange. The issue was whether the municipality of Montreal North is liable to pay the interest on the town's debentures held by the Corporation des Obligations Municipales, Limitee, in Canadian currency, or the Canadian value of the interest coupons plus the United States rate of exchange. The interest due in May last was $213, but the plaintiff corporation sued the municipality for $242.82 in virtue of a clause in the loan contract which give it the right to collect the interest either at the Hochelaga Bank, Montreal, or at the National Park Bank, New York city. The municipality in its defence renewed its tender of $213, and argued that as this was a Canadian contract made in Montreal and that as the plaintiff company was a Canadian corporation, the contract must be interpreted to mean that Canadian dollars to the amount mentioned on the interest coupons constituted legal tender.

Million Dollar Bond Issue in Toronto.

A bond issue of $1,055,000 was disposed of last week by the City of Toronto to a syndicate of local dealers. The securities will be offered on the Canadian market. The bonds bear 5½ per cent. and are repayable in nine instalments, from 1922 to 1930, and are being offered to investors at varying prices to yield from 6.60 to 6.70 per cent., and ranging from 92.33 for bonds maturing in 1930 to 98.31 for those maturing in 1922.

Trend of Wheat Prices.

Though the trend of prices was lower at the week-end, wheat futures retained an undercurrent of strength, steady accumulation of December by exporters being the best sustaining influence according to Logan & Bryan's letter from their Winnipeg correspondent. The weakness of the American markets, which is generally conceded to be caused by the heavy importations of that country of Canadian wheat, encouraged those locally who were bearishly inclined to press their advantage and hard spots were met with liberal offerings. Cash brokers report an active and insistent demand for higher grades, with no appreciable change in premiums. The general financial situation as reflected by the lower stock markets appears detrimental to bullish operations, while the tight cash situation retains its price-governing power.

Dominion Glass Company.

For the twelve months ended September 30 the Dominion Glass Company, Limited, made profits amounting to $757,989, or an increase of $125,265 over those of the preceding year. The amount available for application to the common shares is shown in the statement which has just been issued, at $405,989, representing earnings at the rate of 9.55 on the securities, against 6.58 per cent in 1919. The working capital position of the company, while slightly below that of 1919, is quite comfortable despite the increased costs of operation and supplies of all kinds. In view of the fact too, that extensive additions and improvements were effected during the year, the showing in this respect is quite noteworthy, current assets being $1,458,909 in excess of liabilities of a similar category.

Canada Iron Foundries.

The annual statement of Canada Iron Foundries, Limited, shows an increase in earnings of $114,619 over last year. After making provision for depreciation, interest on debentures, etc., there remained $183,611 available for dividend purposes, or the equivalent of 4.7 per cent on the outstanding preferred stock of the company which was placed on a 4 per cent basis during the year. The company did a satisfactory business during the year. The total sales exceeded, both in tonnage and value, the total of any previous year, the increase in value, compared with last year being approximately 38 per cent. In his report to the shareholders, the president of the company, V. J. Hughes, says:—

"Cost, both of labor and material, advanced during the year, and though selling prices also advanced, the percentage of profit to sales was less than for several years past. Nevertheless, as a result of the increased volume of business, the total foundry profits earned were greater than in history. The largest percentage of increase in business done was shown by the Three Rivers plant, which was reconstructed two years ago. The same plant also shows the largest advance in manufacturing profit. A sum of approximately $418,000 was spent during the year on improvements and extensions to various plants.

Wholesale Trade Quiet.

Wholesale trade conditions generally are quiet throughout the Province of Quebec, Bradstreet reports. The agreement made by the Railway Commission, when all freight rates were advanced, will terminate at the end of this month. Lower freights will prevail but to what extent is problematical at the present time. Manufacturing industries in most cases are busy with orders now being completed, but new business is scarce, and banks advise caution.

The Automobile in Canada.

The importance of Canada as a user of motor-cars is not generally appreciated, says the London "Financier." Recent developments in this respect are very significant of the future possibilities of the Dominion. A huge tract of country very largely engaged in agriculture, and, relatively, but indifferently supplied with railways, manifestly offers a unique field for the employment of the self-propelled vehicle capable of travelling from any one point to another without dependence upon a metal track. In such a country the utilisation of the motor-car is limited only by the supply of passable roads. This aspect of the question Canada is by no means neglecting, for plans have already been laid for an expenditure between this and the year 1925 of some £10,000,000 on the highways of the Dominion. In the United States, as is well known, the proportion of motor-cars per head of population easily constitutes a record. But whereas the former boasts one car for every 15 of population, Canada can point to the not insignificant ratio of one in 25. This is probably the second best average in the world, and for a country which possesses, in peculiar degree, enormous scope for further industrial and agricultural development is very suggestive of what the future has in store.

Canada Underselling States.

That the United States is being outbid in all parts of the world by Canada, Britain, Germany, Holland, Japan and other countries, because the wage scales in the United States are too high and labor efficiency too low, is the statement that is made by the New York Herald. The same conditions are blamed for the inability of United States farmers to compete with Canadians in both domestic and foreign wheat markets. "Right at this minute," it says, "Canada is not only underselling us on wheat in European markets, but is underselling us on wheat in our home markets. The American farmer says truly that the labor costs of his 1920 crop of wheat were so heavy that he cannot sell his wheat under $2 a bushel and make a profit. But the man who is buying wheat isn't thinking about the seller's profit. He is thinking about getting wheat on the best terms he can make. When he can buy Canadian wheat in Chicago market for $1.85 he isn't going to pay anybody else $1.86.

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