

CANADA TENDERS ON N. Z. LOCOMOTIVES.

With respect to tenders for 25 locomotives, invited by the New Zealand Government, there were twelve responses. Two tenders were from Canada, one from the United States, one from Germany, one from South Australia, and seven from the United Kingdom. The prices ranged as high as £17,525. The contract was for delivery within twelve months and all material used in the construction of the locomotives must be up to British standard specification. The successful tenderer was the North British Company, of Glasgow, the contract price being £12,350 per engine.

CANADIAN TRADE COUNCIL IN LONDON.

Suggestion Made by W. C. Noxon, Trade Commissioner.

W. C. Noxon, for the last twelve months head of the overseas branch of the Canadian Trade and Commerce Department, is returning shortly to Canada from London, England. Mr. Noxon succeeded to the work formerly conducted by Lloyd Harris when the Canadian Trade Mission was established in London during the war.

On returning to Canada, it is understood, Mr. Noxon will advocate the formation in London of a Canadian trade council. The High Commissioner will, perhaps, be the first president and various paid officials from Canada will be a part of the executive. The general council will consist of permanent or temporary agents of Canadian interests in England who would also have representation on the executive. Mr. Noxon considers resident representatives of Canadian business interests in England are not sufficiently numerous or strong enough to maintain voluntarily and independently a suitable organization, and some such organization as he proposes should be maintained under Government assistance.

Mr. Noxon says that the far-reaching and favorable effect and influence of a concrete organization embodying the commercial, industrial and social interests of the Dominion would certainly be effective. While it would be the duty of paid Canadian Government officials in Britain to see this organization was properly maintained, Mr. Noxon says it does not follow that the council should be so flavored with Government officials as to be considered a Government organization.

The council must be conducted along business lines. He is satisfied that no government organization could be established in England that would actually procure business. The best it could do would be to create a favorable Canadian atmosphere, so that Canadian business men endeavoring to do business would have the most favorable elements surrounding them.

A Difficult Year for Bankers

No Reason for Dismay in the Outlook for Canada, but Every Reason for Sober Thought and Caution.

BANK OF MONTREAL ANNUAL MEETING.

Sir Vincent Meredith, in moving the adoption of the report of the Directors at the annual general meeting of the shareholders of the Bank of Montreal, yesterday, reviewed at length the conditions that had been met with during the year.

"The year just closed," he said, "has been a difficult one for bankers. An overwhelming demand for credit taxed resources to the utmost. It has been difficult to make producers, merchants and others carrying heavy stocks, who have grown accustomed to high prices, accept the inevitable by recognizing the fact that it is futile to attempt to overcome natural laws and to realize that economic conditions, which no artificial means can alter, alone are the cause of price decline. The demand for intervention through Government control is still insistent in some quarters. Canada alone cannot control world-wide conditions and it is idle to turn to the Government for relief from falling prices.

Restriction of Credit.

"Having in view the probability of a gradual recession in prices, your Directors took early action to restrict credits to legitimate requirements, believing such a policy to be in the best interests of our clients as well as calculated to preserve the financial stability of the country. The strain on credit appears to be now reaching its peak.

As a final word in this connection, permit me to repeat the observations I made at our Annual Meeting two years ago, when I said—

"Sooner or later we in this country will without doubt have to meet foreign trade competition of cheap and skilled labor, together with advantageous transportation facilities, to a more pronounced extent than Canada has yet experienced. If this competition is to be effectively coped with, increased efficiency, co-operation and co-ordination are essential. Our best energies must be directed to greatly increased production of our basic, agricultural and other great natural resources. In this way, and by strict economy in Government Municipal and personal expenditures, a solution can be found of our difficulties of exchanges, the maintenance of our favorable trade balance and the payment of our war debt. Otherwise, we must look for a shrinkage in business, to be followed by a readjustment of this scale of wages for labor and of the prices of all commodities."

No Royal Road to Stable Conditions.

Sir Frederick Williams-Taylor, general manager of the Bank, who also addressed the meeting, said:

"Your President has clearly outlined the hazards of the present situation, and his ripe and unique experience cannot fail to carry great weight.

I might add that, in my opinion, we have never faced a banking and business situation requiring more delicate handling. Since August, 1914, the world has travelled far along the road to ruin. We may be thankful that the waste and destruction ended before the point of utter exhaustion was reached. Canada has not escaped, but we are still a virile people in a goodly land. There is no reason for dismay over our national outlook, but there is every reason for sober thought while we take stock of our resources and of our prospects.

We must bear in mind there is no royal road to the stable conditions of former years, no magic by which we can restore the wealth that has been lost or wipe out the debts incurred. There is nothing for it but to repair the damage, retrench, and confidently work out our salvation.

Of fundamental importance is the fact that our position is sound and liquid; secondly, that our business has been conducted profitably, enabling us to add a goodly sum to rest and profit and loss accounts, after making full provision for losses; also, to pay an extra bonus of 2 per cent. to the shareholders in addition to the usual dividend. Let me make it clear that this result is not the outcome of higher rates of interest on current loans in Canada. The rate of interest to the merchant and manufacturer at home is about the same as it was before the war.

As comparisons are constantly made between Canada and the United States, owing to general similarity in conditions, one anomaly attracts special attention, viz., that with credit restriction as acute here as it is across the line, the price of money is materially lower in the Dominion. This condition, in days of world-wide high interest rates, has attracted much attention in other countries, and is regarded as a tribute to Canada's good banking system. The one disadvantage of this cheap money condition is that persons on fixed incomes derived from investments face the higher cost of living, including income tax, with little increase in revenue. As everyone knows, the connection between the price of money and the yield on investments is of the closest.

CANADIAN PACIFIC RAILWAY

Week-End Service Montreal-Toronto

Canadian Pacific Railway now operate two night trains, each way, between Montreal and Toronto, daily including Saturday. On Saturday, second train leaves Montreal, Windsor St. Stn., 11.45 p.m., arriving Toronto, Yonge St., 9.15 a.m. Sunday.

From Toronto, Union Station 11.59 p.m. Saturday, arriving Montreal, Windsor St. Stn., 9.10 a.m. Sunday.

NEW ZEALAND REFUSES LETTERS OF CREDIT.

It being reported that the banks in New Zealand were refusing to issue Letters of Credit for payments in connection with goods purchased in Canada, Mr. W. A. Beddoe, Canadian Government Trade Commissioner in Auckland, New Zealand, was asked to send a cablegram regarding the situation. He replied as follows:—"The Bank of New Zealand, and the National Bank authorize the following statement: 'The banks are temporarily restricting the issue of credits on certain class of business pending arrival of exports in London which will provide funds for adjustment of exchanges.' Situation daily improving."

FIRE MARSHALS' MEETING ..

Among the topics and speakers for the annual meeting of the Fire Marshals' Association of North America, to be held in New York, December 8-10, are the following:—"Lightning Rod Prevention", J. Grove Smith. Disge T. Lewis, deputy fire marshal, Toronto, Ont. "Special Hazards—the garage, Oil & Electrical Fire Hazards," L. T. Hussey, fire marshal, Topeka, Kans. Discussion, J. Grove Smith Dominion fire commissioner, Ottawa. "Co-operation of Boy Scouts in Fire Prevention", J. Grove Smith. Discussion, George T. Lewis.

CHEMICAL PLANT CLOSED DOWN.

Close on 200 employees of the Sault Ste Marie branch of the Standard Chemical Company have been notified that on December 15 the plant will close down because of lack of orders. More than 150 men have been employed by the company in their lumber camps along the line of the Algoma Central Railway. These have already ceased operations. The shutdown is complete, as even the company's clerical staff is being dispensed with. The Standard Chemical Company's activities at the Soo included the manufacture of charcoal, alcohol and acetate of lime.

CUSTOMS SHOW DECREASE.

If merchants are losing money in the decline of commodity prices, they are in no worse position than the Dominion of Canada itself, as may be seen from the falling off by \$877,085 in customs duties for the port of Toronto, in November, 1920, as compared with November, 1919, and the drop of \$617,392 in the present month alone, as compared with October, 1920. Customs duties for November, including sales and excise taxes, amounted to \$2,836,205. In November, 1919, they amounted to \$3,713,290, and in October, 1920, to \$3,453,597. The sudden loss of revenue is attributed to three things by the local collector—decline in values, decline in imports, and the removal of the special war tax which existed a year ago.