Price Breaking Wave in U. S. Affects Canadian Industry

Hesitancy in Making Capital Expenditure.

The industrial and commercial situation in Canada is influenced to so great an extent by the movement of commodity markets in the United States, particularly those of domestic raw products, that the continued fall in cotton and wool, combined with a determined effort on the part of growers to hold their stocks for higher prices, cannot fail to have an unsteadying effect upon Canadian manufactures. The prospect of a further decline in commodity prices continues to favor conservative buying, says the Canadian Bank of Commerce, in its November commercial letter. Other factors in determining this attitude are the publicity given to the Tariff Commission's investigations, the gradual elimination of Government control from the marketing of important manufactured and domestic products, and the feverish movements of foreign exchange.

An additional number of industries report the necessity of reducing their scale of operations on account of the volume of orders received being less than anticipated, and, in some cases, on account of cancellations. The tendency to diminish production, however, is not widespread. In the pulp and paper, textile and metal trades activity continues.

The present hesitancy in making capital expenditures is well illustrated by the decline in building construction during September. In that month the permits issued in forty cities in Canada provided for the erection of buildings to cost $8,299,483, as compared with $11,880,072 in 1919. This decline has occurred in the face of an improved supply of labor and of material. There is an insistent demand for housing accommodation in a large number of cities and towns which has caused rents to advance sharply. Construction costs, however, are still high, and chiefly for this reason, would-be investors hesitate to build, fearing lest the temporary profits now offered by the rental of dwellings will be succeeded in a year or two by losses due to declines in rents and in the value of buildings, as a result of lower costs of materials and labor.

PROFITS OF THE MOLSONS BANK EXCEED PREVIOUS RECORDS.

The Statement presented to the Shareholders by the Management of The Molsons Bank at their Sixty-Fifth Annual Meeting was undoubtedly satisfactory to them. It must also be good reading to those who appreciate that our Banks must be successful if they are to maintain their work of financing Canada's Agricultural, Manufacturing and Industrial requirements.

The Profits for the year amount to $822,718.23 from which however $70,000.00 for Dominion Government Taxes $5,000.00 for Charity Fund and $25,061.23 Officers Pension Fund were deducted, leaving net profits at $722,657.00 or about 8 per cent. on the combined Capital and Surplus.

This compares with $818,802.25 for 1919, when however taxation of $85,000.00 and other larger items reduced the net still further.

There is a satisfactory increase in deposits and the policy of this Institution to help legitimate business is shown by the very considerable increase in commercial paper under discount while call loans are practically unchanged.

The Molsons Bank has been closely identified with Canada, and its capital has been gradually increased from $1,000,000.00 in 1860, $2,000,000.00 in 1881, and to $4,000,000.00 in 1910, where it now stands.

In addition Molsons Shareholders have allowed the Bank to keep a large percentage of their profits, and the reserve thus formed now amounts to $5,000,000.00 and is a powerful factor in maintaining profits despite constant increases in expenses.

Successive Managements of The Molsons Bank have maintained the conservative banking practices which marked this institution's early steps, and this year's statement shows it to be in an excellent position.

CANADA WILL FINANCE IN U. S.

Bankers believe that within the next few years a great mass of Canadian financing and refinancing will be offered to the New York market, and that if arrangements can be made to receive it, a substantial forward step will have been taken. Within the next five years some $600,000,000 in Canadian securities of all kinds will mature. Some of this will mature in New York, but most of it will fall due in London, and the popular belief now entertained is that the Canadians will strive to meet these maturities, practically in their entirety, in the American market. In addition to the maturities there is expected to be about as much more new money needed, and this, too, will be sought in the States.

ALGONQUIN PARK IN WINTER.

A handsome illustrated booklet entitled "Enjoy Winter in Ontario Highlands" has been issued by the Grand Trunk Railway. The publication deals with winter sports in Algonquin Park, and gives particulars of the well known Highland Inn, which offers first class accommodation to visitors. Write for copy of booklet to M. A. Dafoe, Grand Trunk Railway System, 230 St. James St., Montreal.

NOVA SCOTIA ISSUE.

A bond issue by the Province of Nova Scotia for $2,000,000 was sold Wednesday to the Dominion Securities Corporation, Toronto, and Wm. A. Read & Co., New York. The bonds will be placed in the United States.