

**Stabilization Need of the Hour**

In view of our fundamental sound credit position, it would seem that what we need above all else now is a stabilization of prices at new levels that will bring consumers back into the market. And not until the readjustment has been carried through the list, and prices of basic commodities, recede and general retail prices fall to lower levels, can we find a new starting point. We need, then, to do everything in our power to get commodity markets stabilized as soon as possible and avoid the dangers of a prolonged economic depression.

But stabilization of commodity prices can be accomplished only by greater production at lower costs, in order that goods may be offered to the public at prices which will revive buying. There is still a vast unsatisfied demand for all kinds of products in this country, as well as throughout the world, but prices must become commensurate with purchasing power before business can hope to reach a stable basis. And the withholding of goods from the market, as well as every unnecessary delay in marketing them, lessens the available supply of credit by "freezing" the credit required to carry the goods until they are sold. So, also, do unwarranted strikes congeal credit, as well as interfere with productivity.

We cannot achieve the urgently needed stabilization of business conditions until those retail merchants who are considering only present profits and forgetting that temporary gains may mean permanent losses later on adjust themselves to the trend of the day, and cease endeavoring to suspend the operation of economic laws. They must scale down their margins of profit to conform with present day costs. They must bear in mind that as the peak of commodity prices has been passed so also has the peak of profits.

Likewise, we cannot expect fully to rectify the credit situation until business is relieved of a material part of the heavy tax burden under which it is now struggling. The economically unsound excess profits tax is seriously draining the surplus resources of business and must be repealed

**The Woolen Textile Industry, 1919**

The Dominion Bureau of statistics has completed a preliminary report on the Woolen Textile Industry for the calendar year 1919. The report covers the operations of 76 mills, of which number 55 were located in the Province of Ontario, 12 in Quebec, and 9 in the Maritime Provinces.

*Capital Investment.*

The amount of capital invested in the industry is given by items for each of the provinces and the Dominion subjoined table:—

| Items of Capital                                   | Maritime   |           |           |            |
|--|------------|-----------|-----------|------------|
|  | Ontario    | Quebec    | Prov      | Canada     |
|  | \$         | \$        | \$        | \$         |
| Land, buildings and fixtures . . . . .             | 2,979,959  | 643,052   | 139,077   | 3,762,068  |
| Machinery and tools . . . . .                      | 3,401,752  | 589,229   | 298,543   | 4,199,594  |
| Materials on hand, stocks in process, etc. . . . . | 5,151,472  | 950,745   | 379,482   | 6,481,699  |
| Cash operating accts., etc. . . . .                | 5,340,205  | 940,125   | 585,002   | 6,865,332  |
| Totals . . . . .                                   | 16,873,388 | 3,123,141 | 1,312,104 | 21,311,633 |

**McDougall vs. Dominion Fire Insurance Co.**

Policy covered \$700. on a dwelling, situated at a lonely spot on the outskirts of Moncton, N.B. The Adjuster was not satisfied with any aspect of the case and the Company decided to repudiate liability on the ground of lack of value and questionable title. Assured entered suit and the case was tried, during the week of December 13th, before a Jury of twelve intelligent men, who brought in a verdict to the effect, that the risk was misrepresented in the application for the insurance, was of a value less than the insurance, and was not the property of the Assured, and the action was dismissed with costs.

It is quite noteworthy and encouraging that a Jury should decide in favor of an Insurance Company on questions of fact, with conflicting testimony on both sides. In this case, witnesses testified to values ranging from \$35. to \$1,500.—H. W. Frink, Adjuster. Mr. M. G. Teed, K.C., was counsel for the insurance company.

**AUSTRALIA AND NEW ZEALAND  
BANK OF NEW SOUTH WALES**

ESTABLISHED 1817

Paid-up Capital . . . . .  
Reserve Fund . . . . .  
Reserve Liability of Proprietors . . . . .

\$23,828,500  
16,375,000  
23,828,500  
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\$64,032,000  
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\$377,721,211



Aggregate Assets 31st March, 1920

**SIR JOHN RUSSELL FRENCH, K.B.E., General Manager**

351 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London  
The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged.

Head Office :  
**GEORGE STREET, SYDNEY**

Agencies: Bank of Montreal  
Royal Bank of Canada

London Office :  
**29, THREADNEEDLE STREET, E.C. 2**