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ness in the process, while the other half represented by the Steel Corporation, is able to maintain a firm market and may possibly find a fresh influx of orders before the question of prices becomes a practical consideration. It is therefore not easy to determine just what signs will make their appearance to indicate that, if the commodity markets are not yet ready for a general upward movement, they are at least approaching the end of the decline.

Industrial and Commercial Situation

The prospect of a further decline in commodity prices continues to favour conservative buying. 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. On the other hand there are some reassuring factors. Immigration continues to increase, the greater number coming from British territory. Meanwhile United States farmers continue to take up holdings in Western Canada, where land values are firm with a decidedly upward tendency, as is also the case in Eastern Canada.

The marketing of the cereal crops during the early part of October was delayed somewhat by declining prices and a shortage of railway cars. Holders of live stock who were favoured with good fodder crops deferred shipments pending an improvement in market conditions, but in spite of this an average number of cattle found its way to the markets. Terminal and country elevators are congested with grain, the holders anticipating an advance in prices. Under such conditions the current obligations of farmers and country storekeepers have not been liquidated as promptly as expected. This situation creates a strain upon the available supply of credit. In certain extensive areas in the West, there has been an accumulation of farmers' obligations for seed grain, current liabilities, and mortgage arrears caused by a series of bad harvests. Fortunately the threshing returns in most of these districts indicate satisfactory crops this season.

Producers of cattle, grain, and orchard and garden products have been handicapped this year by inability to obtain a sufficient supply of containers and by the inadequacy of transportation facilities. On the other hand, producer and consumer are being brought into closer contact by the use of the automotive vehicle, which, when applied

to productive purposes, becomes a valuable economic asset. To a certain extent in the neighbourhood of the larger cities, direct contact has been established between the producer and the consumer by the motor car, and in this way a market has been brought right to the farmer's door. So also in the West, the use of the motor tractor has greatly lessened the difficulties incident to the scarcity of labour.

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.

—*Canadian Bank of Commerce Monthly Letter.*

Canadian Chartered Banks Have Nearly 5000 Branches

The number of branches of Canadian Chartered banks open on 31st August, 1920, were 4,819 as compared with 3,226 open on 31st July, 1914, indicating an increase of 1,593 new branches during the past six years. This large increase is an evidence of the efforts being made by the banks to accommodate the public.

Moral Hazard Increasing

With the prices of various commodities seriously reduced, and with cancellations of orders being received, without opportunity for resale of goods except at large price concessions, there is created a temptation to convert goods into money by means of fire insurance. If the companies are to avoid unduly heavy losses, they must use great care and judgment in relation to lines already on their books, as well as in connection with new writings.

Much Property Under-Insured

With costs of buildings as these are at present, losses when they occur are very heavy, and it is the height of folly for any property owner to rely on policies effected five or six years ago.

While it is admitted that increases in fire premiums in Canada are large, notwithstanding this fact, it will be found that a large amount of property is under-insured, and if owners generally get the real facts into their heads, it is certain that still larger incomes will result in every office doing fire business.