

VIEWS THAT PRICES WILL STAY HIGH.

Replies to the circular letter sent out from the Information and Education Service of the Department of Labour at Washington, asking views of business men, bankers, editors, etc., as to the probable course of future prices, continue to reveal a widespread and growing conviction that high prices will last a long time, if indeed they do not prove to be practically permanent. The following are extracts from some of the letters received:—

"We must adjust ourselves to new conditions. The Government borrowed billions of dollars at a time when prices were high. If prices resume their antebellum level we will be compelled to pay those billions back at twice their present value. These bonds should be paid in money of the same value as that with which they were purchased, and to do this prices of labour and its products must be maintained at their present levels. Unless the question of unemployment is taken up squarely and fairly, the Government must assume all responsibility for incendiary propaganda. When labour is fairly treated it is too busy for it.

"It is my opinion that everything will go higher, and then lower. We are building now."

"It is always much more difficult to have prices drop than it is for them to go up, but with better understanding between capital and labour, and harvesting of the immense crops now in sight, I think prices will begin to go down. If the Government could curb unprincipled promoters and speculators it would have a valuable effect."

"My observations are that the great part of the manufactured articles are not worth what it costs to produce them on account of the unnecessary high price of raw materials."

BRITISH MAILS BEHIND SCHEDULE PLANS.

Many complaints are being received in England from Canada and the United States of the protracted delay in the delivery of British newspapers and magazines sent by post to subscribers in those countries. In the present period of labour unrest and political difficulties it is important that accurate news of the situation in Great Britain as conveyed by responsible journals should be available for American readers at the earliest possible moment, and delays in the mail service which result in papers not being circulated until 14 to 20 days after the date of their publication must be regarded as regrettable.

Post office officials in this country express themselves as fully aware of the propaganda value of newspapers, and say that they are doing all they can to expedite delivery. They complain, however, that they have been seriously hampered by labour troubles at the ports. The shipping problem is difficult, even if the sailing of liners is not retarded by dockyard disputes. Owing to the need of making the best possible use of the available tonnage shipping is still under control, and vessels do not always leave at the time originally scheduled. Passages, too, are slower than they would be under normal conditions.

A representative of the "Times" was informed that the mails should leave Liverpool every Wednesday and Saturday, but sailings, through various causes, are sometimes held up for as much as a

week. From April 17 to April 29 not a single boat left this country with mails for the other side of the Atlantic. "We are doing our best," was the statement made, "and in the case of the Canadian mails we do not confine ourselves to the Canadian service. It is often quicker to send the bags by New York—sometimes from Brest—and we use every opportunity presented in this way.

"This method, it should be said, cannot be used for the magazine post. The arrangement for cheaper transport under which the magazine post is carried is only possible between two administrations with direct connection. A third administration under the existing circumstances cannot be introduced into the scheme. Generally speaking, however, the labour question and the lack of tonnage are at the bottom of the delays which have occurred."

BRITISH BANKS SHOW LARGE EXPANSION SINCE WAR.

The expansion in figures that has taken place since the war in the position of British banks has been remarkable, but it must be borne in mind that it by no means represents more real wealth than the much smaller figures of the pre-war period.

The most striking feature of the changes that have taken place during the war period is the extraordinary expansion in figures. To some extent the expansion in figures is due to amalgamation, but to a greater extent it is due to the manufacture of credit for war purposes. The "Economist's" index number of the prices of commodities shows a rise of 125 per cent since August, 1914. The expansion in figures is really the measure of the economic ills of the war, and there is no virtue in them. It is the outcome of the extraordinary increase in the fiduciary circulation of nearly all countries, and a decrease will take place when the process of deflation begins. The funding of the floating debt will reduce deposits and the supply of currency, and the resumption of trade activity will gradually give a higher value to the figures than they now possess.

The expansion is not confined to England or to belligerent countries; it has occurred in all countries, and even in those countries, such as Egypt, where no war debt has been created. This merely demonstrates the international character of finance, and shows that inflation of credit in one country will affect another country with which it has commercial intercourse, and cause a depreciation in its currency.

The policy of amalgamation has not been confined to England, though naturally London has led the movement. It has shown itself in the operations of banks trading in various parts of the Empire, especially in Canada and Australia. The amalgamation policy has now probably reached its limitations as regards the great London joint stock banks, of which there are only five, whereas five years ago there were eleven. Last year considerable criticism accompanied the announcement of one fusion after another, but the driving force behind the amalgamations was the process of combination taking place in commerce and industry. It was obvious that the creation of larger industrial units, the outcome of the experience of the war, would involve the creation of larger banking units, such as would be able to afford the increased amount of financing which these industrial combinations would require.