

introduced to prove that values are but nominal. Similarly, the theory may be advanced that low prices have been brought about by those who have been compelled to realize. But after a consideration of all theories, there is little doubt that the market price represents value; it may be for credit, or it may be for cash. As is known, the banks accept the market price as the standard. Upon this standard the credit resources of the borrower must be based.

The decline shown in the above table between 1906 and 1907 is not necessarily due entirely to the monetary situation. Reasons may be advanced showing that the financial stringency was due to the decline in market securities. Lessened credit resources, fathered by unreasonable industrial expansion and by the stripping of fifty per cent. of the market value of stock holdings, means several million dollars in the aggregate.

From the last two columns of the table it will be observed that a further change has occurred in the course of the stock markets during the past few months. Instead of depreciation, is found appreciation. The operation of the theories advanced above will, therefore, be reversed. Credit resources, by means of high prices for securities, will be strengthened. From the stock exchange thus may be traced some semblance of a return to better times.

EDITORIAL NOTES.

Climate is sometimes a natural curse that brings from men gifts which would otherwise perish.

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Home life is the backbone of a nation. Foster it and a country grows strong. Neglect it, and dollar worship becomes pre-eminent. Then there can be but one end. Time will decide when.

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An average of more than six million dollars per annum expended upon new equipment—that is the record of the Canadian Pacific Railway during the past six years. In that period every three days saw added to the company's rolling stock one locomotive; every two days, one passenger coach; and every single day, fourteen new freight cars. Despite this development it was found difficult to handle the business which came to it. The future calls loudly, too.

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Jealousy, a bad cousin to ambition, can be seen dodging around here and there in our western country. Petty differences, that might be despised by a schoolboy, are magnified into sad grievances by city and town authorities. This is a strange element in a new country. When it is recollected that of resources in Canada, there are enough for all, the childish ways of jealous municipalities become the more a matter of curiosity. It is not a case of two dogs and one bone. The dogs—pardon the simile—do not look sufficiently far afield.

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Some of the people of the East appear to regard the great Peace River country with almost as much suspicion as once they considered Cobalt. When the Northern Ontario silver plums were gathered up by United States capitalists, many then rushed in where hitherto they had feared to tread. Some gathered belated fruit, others got only the stalks. Peace River prophets are bold, that is to say, those who know. But their boldness is classed by some with that of the mythomaniac. The loss to men by lack of faith may later cause pioneering apoplexy.

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VICTORIA, B.C., BONDS IN LONDON.

Entirely Absorbed in Two Days—Trade Depression and the Unemployed—Combination Among British Railways.

(From Our Own Correspondent).

London, September 25th.

It has been generally understood that London had as much as it could swallow of Canadian municipal debentures. But who knows now whether we have had enough? Four days were given for subscription of the city of Victoria, (B.C.), Fours at 98½, and the issue was entirely absorbed in two days. The amount was small, (\$749,000), the dates of redemption were good, (1933 and 1958), the financial statement was reassuring, and the issue was made at a moment when there was no competition of like offers. It followed on the failure of the South Australian conversion loan, and it is hard to say what to make of the success and to judge whether it represents an exception or a new rule.

One of the periodical long accounts on the Stock Exchange has induced more caution during the last few of its nineteen days. The more solid stocks have tended to flatness, but in the Kaffir circus—the nursery of speculation—there are still merry doings. New crops of speculators appear every seven years or so, and the present crop has not yet been threshed out. Outsiders are making a little money from time to time, and the professionals are hoping still for an indubitable speculative boom.

Cotton Stocks Good for Canada.

Improvement is only tentative in trade, and unemployment in trade union circles is 9 per cent. instead of the 4 per cent. of a year ago. Such facts are taken for comparative purposes, and often to misleading effect. Our unionists, when they cannot get work in their own trades, sign the out-of-work register without much of an attempt to find jobs outside their regular line. Among unskilled workers the proportion of the temporarily unemployed will certainly be greater, and in the chief centres public demonstrations are being elaborately worked up. But these theatrical "attacks" on town-halls and the hooting of royal visitors, are significant of little more than the energy and ability of organizers who are not themselves unemployed.

The stoppage of 400 cotton mills and 120,000 operatives depresses trade in the north. But it should be understood that a month's cessation is necessary and is desired by all parties. The strike or lock-out is a holiday affair thus far, and the single danger is that the deadlock should last too long through some stupidity. Meantime, the stoppage ought to be beneficial to all other cotton mills, including the Canadian.

Trading Companies and their Accounts.

A representative accountant is found now recommending a standard form of balance-sheet for trading company concerns. His fellows do not all agree with Mr. G. S. Pitt, who must be content for the present with the sympathy of all those unfortunates who require to assimilate the accounts of one company with those of some other.

Several accountants agree that our fathers were sounder financiers than ourselves. They husbanded their gains and left them to fortify the business, but the modern limited concern too often takes another line. Mr. Pitt is for compelling our companies to establish reserve funds as the French, German, Belgian, and Italian Governments do. He would forbid companies to pay more than determined rates of dividend until all debenture debts are cleared off. But it does not require an accountant to see that there are means of evading all such restrictions. What does Canada say to the formation of a general association of authorized accountants whose business should be to advise the Government on all accountability matters?

Sufferings of the Trader.

The concentration of English railway companies into seven groups, of which each is supreme in its own domain, gratifies shareholders more than traders. Rate reductions are hard to obtain, and in the event of dispute the railways are most peremptory. Ledger accounts are stopped on small provocation, and the customer has then to pay in advance or to manage without railways. In this matter, the companies act as one. Then, unless he capitulates, a lien notice is issued and the railway monopoly seizes goods and holds them until the uttermost of its exactions have been satisfied. Men who never approved of State ownership before are now seriously advocating railway nationalization.

Our Limited Partnerships Act has been of use especially to the small trader. In the first six months of its operation, 68 such partnerships have been registered, and in 37 of them the limited partner invested less than \$2,500. The arrangement is cheap to make and presents advantage to the capitalist in that he can depend on the exertions of his fully-liable partners, his own possibility of loss being limited to the extent of his investment.