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MONEY MARKET PERPLEXITIES.

NOT often does Boston adopt the "so 'umble" attitude. But the Hub correspondent of the New York Evening Post admits that even Boston "is sometimes inclined to think that for the moment, at least, she has lost the focus of the financial situation." After this frank admission from a co-citizen of the omniscient Lawson, London and New York may be excused for their perplexity as to the immediate monetary outlook. For New York, this perplexity is not lessened by the circumstance of high interest rates being coincident with an unusual autumn exporting of gold. More than one financial authority points to the high cost of living, as going far to explain the secret of stiff rates for money. With everything up in price, the autumn drain upon the world's money markets is greatly increased. After the panic of 1893, there came years of lowered commodity values; but current prices are now getting up to the heights of 1906-7.

Various causes are assigned—and each of several may be playing some part in this apparent breaking-away from economic precedent. Among the factors credited with thus affecting prices are: the increased gold output of recent years, stronger combinations on the part of capital on the one hand and of organized labour on the other, and—last, but not least—a world-demand for breadstuffs that has relatively increased more rapidly than supply.

PRICES AND PROFITS.

MARK Twain's Yankee at King Arthur's Court found he had to hammer like a pile-driver, to get into his sixth century hearer's head the idea that, if food and clothing were to become twice as dear, a penny would then be worth no more to a purchaser than was a halfpenny before. And the habit persists of estimating prosperity chiefly by a rise in prices, overlooking the circumstance that in so far as the increase is general, gains in selling are counterbalanced by heightened costs in buying and manufacturing; while to those whose income does not rise correspondingly, so-termed prosperity brings more or less hardship.

Organized labour generally looks to it, that its wages rise proportionately to the cost of living—and sometimes, at the ultimate cost of the general public, it achieves more. The present agitation for increased pay on the part of United States railroad employees takes no account of the fact that wages were not reduced during the depression of 1908; and word comes that, despite the sliding-scale agreed to, the Massachusetts cotton mills are waiving the reduction of eight per cent. in wages warranted by the decrease of the margin between the existing price of cotton and that of the finished product.

RETURNS FROM AGRICULTURE.

HIGH prices for wheat and raw cotton, by bringing large returns to the agricultural community, quickly started a-rolling the ball of business recovery after the panic of 1907. In contrast, it will be remembered that the depression following the crisis of 1893 was aggravated by America's suffering from a shortage in wheat production at a time when the world-supply of grain was comparatively abundant. And it was not until bumper crops came, that business expansion got going again in 1897.

It is chiefly because of its more direct dependence upon the output of the farm that the United States during the past months has appeared to emerge more quickly from trade depression than Great Britain. And Canada, largely an agricultural community, is also enjoying marked trade quickening—stimulated further by the incoming of investment capital from abroad.

But the urban population of the United States is now so large compared with the agricultural (seven to three, says Mr. J. J. Hill) that any continued rise in prices for raw materials will be far from a general blessing. Indeed, this year the United States will have for export only 115,000,000 or 125,000,000 bushels of wheat out of a total crop of some 700,000,000 bushels. Evidently Canada—relatively speaking—is in a position to profit much more largely from high prices of grain than is its neighbour.