

proved unable, from any cause, to meet its liabilities as they accrued, the other banks would be compelled, in view of their having thus joined to give it publicly a certificate of health or solvency, to take care of its depositors, so far as they were able.

Happily there does not appear to be reasonable grounds for expecting any crisis or collapse. The bank's customers in general have not been greatly alarmed, and while it may undergo a certain moderate drain of deposits, its position is not supposed to be at all endangered. The stockholders, or those who bought its stock since 1907, apparently have more reason to complain than have the creditors. Such a long concealment of important losses could scarcely occur in a good Canadian bank without the other banks becoming aware of it. The experience of the Ontario Bank showed that such concealment was possible. Since then additional safeguards have been introduced.

Notes and Comments.

Politics and the New York Market.

Judging from present appearances the Roosevelt third party movement will not serve to upset the big American financial markets to any great extent. The markets have had an excess of alarms based on threatened political happenings and many observers believe that stocks are nearly immune to attacks from that quarter. With reference to the prospects of the Roosevelt party, it is clear that many supposed adherents of the ex-president are showing commendable caution in waiting to find out whether there is any notable popular movement towards Roosevelt before they commit themselves irrevocably to his cause. Some observers of the market take the view that Woodrow Wilson's announcement that he is in favor of a very gradual reduction of the tariff removes most of the apprehension of the financial interests. Nobody fears a gradual reduction. What was feared was a sudden levelling of the tariff wall leaving important industries exposed to European competition.

The United States Cotton Crop.

The Washington Department of Agriculture in issuing its estimate of condition of the Southern cotton crop, places the average on July 25th at 76.5 p.c. of normal as compared with 80.1 p.c. on the same date last year. Conditions in the cotton mill trade were sharply reversed by the harvesting of the enormous crop of 1911. Prior to that the mills could get supplies of raw materials with difficulty and at very high prices, as a band of speculators had succeeded in cornering the market. Then, when the trade realized the full extent of the crop, prices promptly fell to such low levels as to embarrass the mills which had on hand or in process cotton purchased at the high prices of the preceding summer. In the spring and summer of 1912 they have been gradually adjusting their affairs to the changed conditions; and presumably they are now in position to take full advantage of the lower prices. Naturally there was a fall in profits and in some cases the dividends of the New England mills were reduced. It is understood in the cotton trade that owing to the huge dimensions of last year's crop, a considerable surplus will be available for supplementing the crop of 1912 should it be deficient. For that reason it is not likely that a moderate falling-off in the yield will

have any great effect on cotton prices. On the whole the American crops in 1912 promise to be satisfactory—spring wheat in the northwestern states in particular is expected to be a very good crop.

The Canning Factories. The Dominion Cannery, which represents the property of the consolidation of canning factories, is now experiencing the competition of the new company. Last year the Dominion Cannery were not able to supply the demand for their products. In fact, it is one of the standing complaints of the retail trade that the combine could only fill about 40 p.c. or 50 p.c. of the orders received. Since last year the Dominion Cannery have established a number of new factories and the newly founded British-Canadian Company has also been busily engaged in acquiring a system of canning factories.

With reference to the operations of the present year, it can be said that in certain lines the prices paid by canners to the growers or producers have been unusually high. It is their custom to make contracts in the spring for deliveries of fruit, etc., during the summer and autumn. The last two or three years have not been in all respects favorable for fruit-growing and some lines were exceedingly scarce. Consequently the growers have secured comparatively high prices. The state of affairs has been such as to cause the growers to hesitate about contracting in the spring inasmuch as current daily prices might be well above the contract prices. The spring of 1912 was wet and cold and some fruits—notably berries—have been scarce and high. It is probable that the canners have had to pay prices generally well above the prices paid last year. This in turn points to finished products standing the factories at a higher cost. But as they have the market to themselves, the canners can doubtless raise prices to consumers and we may perhaps expect to see canned fruits at higher prices than a year ago.

The Cobalt Stocks. Quotations for the representative Cobalt stocks have latterly been declining largely owing to the belief that the mines are approaching exhaustion. The general body of speculators now hold the opinion that "Cobalt is going, not coming," as one Toronto financial paper expressed it. However the shipments of ore and bullion from the camp continue to be large. Thus for the week ending August 2nd, the ore shipments amounted to about 794,000 lbs. And the total for the year to date was 13,068 tons. In addition to these ore shipments, silver bullion to the value of \$88,451 was shipped during the week; and the bullion shipments for the year so far amount to \$1,707,135. This is respectable showing. Some ten or a dozen mines are shipping more or less regularly, a few of them having shafts sunk to great depths.

It is probable that the low prices now quoted for Cobalt stocks represent to some extent the natural reaction from the absurdly high quotations ruling two or three years ago. Then if one wanted to buy Cobalts he had to pay prices which made the dividend yield no more than 8 or 10 p.c. In other words, if the investor treated 5 p.c. as income and applied the balance to write down the capital investment, it would take from 20 to 30 years with dividends at the same rate to get the capital back. That period was far too long; the chances of the mines lasting that long were slim. Now the investor has a better chance. The better class of stocks can be purchased to yield