

Trade with the Orient

With correspondents of the highest standing in China, Japan, India and other countries of the Orient, and branches in all the principal ports on the Pacific coast of North America, namely:

Prince Rupert	Portland, Ore.
Victoria	Seattle
Vancouver	San Francisco

this Bank is excellently equipped to serve the interests of Canada's growing trade with the Orient.

THE CANADIAN BANK OF COMMERCE

Paid-Up Capital	\$15,000,000
Reserve Fund	\$15,000,000

INCORPORATED 1832

The Bank of Nova Scotia

Capital	\$9,700,000	Reserve	\$18,000,000
---------------	-------------	---------------	--------------

EXPORTERS—IMPORTERS: With branches in Jamaica, Cuba, Porto Rico and Santa Domingo, officered by men who speak Spanish, this Bank is well equipped to handle the accounts of traders with these countries. Consult their Managers.

BRANCHES IN VANCOUVER

602 Hastings Street West	Granville and Davle Streets
N. W. BERKINSHAW, Mgr.	DOUGLAS J. MAIR, Mgr.
JAMES A. FIOTT, Asst. Mgr.	

The Dominion Bank

Head Office: TORONTO, ONT.

Capital and Surplus	\$ 13,000,000
Total Resources	\$143,500,000

With our Branches and foreign Connections we provide every facility for the transaction of all classes of banking business.

Safety Boxes for rent.

Vancouver Branch: R. C. PATON, Manager.

subsequent sale, the producer incurs the risk of losing in a falling market.

"There is such a diversity of practices in assuming the liability of repudiated contracts and in the willingness and ability of individuals to perform their contracts, that by no general rule can the distribution between manufacturers and merchants of actual losses from falling prices be foretold. If contracts are strictly honored, necessarily, distributors, as distinct from producers, are more subject to the risk of losses from falling prices than are producers, because in large part the output of factories is sold in advance of production. The obvious lesson from such a situation is the suggestion that business men will find it especially worth while in the coming months to conserve their working capital and to maintain inventories that are as highly liquid as possible.

"But not all the emphasis should be placed on caution. The bold and confident business man, who is not daunted by difficulties, but who carefully studies all phases of his problem and dares to act on his well-informed judgment, can be counted upon to make money whether prices fall or not.

"The advantages accruing to consumers in consequence of declining prices are easily exaggerated and misunderstood. Most consumers are, in one way or another, associated with production. Falling prices in the main are accompanied by declining profits and eventually by lower wages, as well as reduced cost of living, but the reduced income may leave no margin of gain from the lowering of the cost of living. Persons with assured and fixed money incomes are necessarily benefited by general falling prices, but not infrequently the so-called fixed incomes are at the same time rendered less certain by the declining prices.

"The momentum of upward moving wages, as already mentioned, usually carries them still higher after general commodity prices turn downward, but here again, as in the field of prices, such unevenness is to be expected, some wages rising, others falling, but on the average moving upward for a time and then following more or less tardily the trend of prices. Save, then, for the advantage in the transition period, when wages tend to move in the opposite direction from the falling prices, wage-earners as a whole may be expected to profit little as regards the actual buying power of their earnings when prices fall. During this transition period, however, the prospect of continued high wages points to a powerful obstruction against the downward tendency of prices. The buying power of wage-earners is one of the most vital factors in the general commodities market.

"A general fall in prices sets in operation forces which ultimately result in a reversal of the movement. Curtailment of production in face of declining profits tends to swing past the point of best adjustment of output with demand. Demand is stimulated by the increase in the buying power of money. The accumulation of bank reserves in the face of a slowing down of business and the reduction in interest rates in a period of declining profits invite a bolder policy in production. Accordingly, with increasing confi-

(Continued on Page Twenty-one.)

THE MERCHANTS' BANK OF CANADA

Established 1864

HEAD OFFICE, MONTREAL

Paid-up Capital	\$7,000,000
Reserve Fund	7,574,043

385 Branches in Canada, extending from the Atlantic to the Pacific

GENERAL BANKING BUSINESS TRANSACTED
SAVINGS DEPARTMENTS AT ALL BRANCHES
Deposits received of one dollar and upwards, and interest allowed at 3 per cent. per annum.

Most Modern Offices. Safety Deposit Boxes for Rent.

VANCOUVER

Granville and Pender Streets.....	A. C. Fraser, Mgr.
	J. S. Bancroft, Assistant Manager.
Hastings and Carrall Streets.....	S. E. James, Mgr.
4th Avenue and Alma Road.....	W. E. Norman, Mgr.
436 Columbia Avenue.....	P. W. Field, Mgr.