pinch when the wholesaler gets the chance, which is in accordance with the trend of human nature. This is a difficulty we are frequently asked to refer to, by both retailer and wholesale merchant.

Of course the securities markets feel the lack of a free money market severely. Liquidations are compulsory in many cases and in these instances the best stocks are generally the ones to go, as being the most easily to be realized upon. Investors would do well to take the hint contained in the statement, without awaiting official explanation for reduced quotations. By the way, there can be nothing but talk in the story of losses sustained by the highest personage in the realm,—especially losses in C.P.R. unless the King has been caught taking a flier on margin, a contingency we refuse to contemplate. Railway troubles over court decisions in the States may bring about more difficulty across the boundary line, and there is some slackening of trade in certain quarters, probably. But on the whole for the man who knows what to go after, there are good well paying purchases to be made in the New York list.. The falling off in unfilled orders of the U.S. Steel Corporation does not look especially serious, though it may be a symptom of underlying weakness, locally. The world steel market is intrinsically very strong just now.

Our own list has been strengthened by the elaborate merger statements of the Richelieu and Ontario people, the reports of Mr. Plummer on the Steel Corporation finances, and the disclosure of Crown Reserve. The best feature, however, is the strenght displayed by the industrials. The country's trade is teeming, and we must learn to measure its western extent by combining two railway statements for the future, instead of reading one as formerly. Factories show no sign of slackening orders, retailers are certainly not complaining, and the prospects of a fine harvest are at the moment excellent. It will, however, be some time yet before money can be expected to progress from the weather mark "stringent."

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## FACTORY AND FARM PRODUCTS MUST BE INCREASED.

Bankers, brokers snd business men generally are "taking stock" at the present time. The slump in the security market combined with tight money and more or less political and labor unrest, has aroused an unusual amount of questioning and heart searching on the part of our leading financiers. While the market has taken a severe slump, the better informed business men believe that the break is only temporary, and that fundamentally conditions are sound. Bankers have seen this coming, and have prepared for it by drawing in their purse strings and slowing down the feverish speculation which characterized our people a year ago. As a result of these precautionary measures, the present slump will be less severe and less injurious than it would have been had it not been foreseen and in a measure, prepared for.

Bankers and business men, however, have a lesson to learn from this slump in the market. The first lesson to be learned is that Canada must exercise more care in the floating of loans in Great Britain. Leading business men who have returned from Great Britain, state that the fair name of Canada has suffered to some extent by more or less fictitous floatations being placed before the Old Country financiers. In addition, Canada has been borrowing rather freely, and has not been disposed to pay the higher rate of interest, which is now being asked by Old Country investors. Bankers, brokers and everyone who have to do with the issuing of new floatations, should carefully scrutinize them and see that nothing of a speculative nature is offered the British people. Canada, in her present stage of development, cannot afford to have the sources of revenue in Great Britain dried up. Another and perhaps the most important lesson to be learned has to do with Canada's internal development, and this matter rests almost entirely with our bankers.

For the past ten or a dozen years, Canada has been borrowing very freely from Great Britain and other countries, and putting the money into what has been in a measure, non-productive enterprises. The bulk of this money has gone into the building of railroads, the building of canals, the erection of sky-scrapers and into other lines, which are not immediately productive. In time, the railroads will create business and pay large returns on the money invested, but in the meantime we are borrowing very freely and making our imports greatly exceed our exports. Bankers have a duty to perform in curtailing the wholesale building of sky-scrapers and huge office buildings. While it is true that in a few of our large cities there has been a tremendous growth, and there is need of new office buildings, for the most part, this has simply been a craze, and as soon as a new office building is erected, people leave perfectly good offices and flock to the newest and highest building, leaving the old places unproductive. It would be far better if the bank would refuse to loan money for the building of so many sky-scrapers and instead systematically cultivate the establishment of new industries. Canada simply must produce more in her factories and on her