

GOLD NOT EFFICIENT MEDIUM OF EXCHANGE

With War Drastic Methods Had to be
Adopted to Supplement
Available Currency

PRESENT SYSTEM UNSOUND

Logical Outcome of Moratorium Said by British Writer
to be, on its Currency Side, the Total Abolition
of Gold Currency and the Issue of Paper
Currency by the Government.

(Maintaining that the present currency system in Great Britain is absolutely unsound, Mr. Mark B. F. Major has written the following letter to the editor of The Financier, of London, England:—

It was predicted 25 years ago, with almost absolute accuracy, what would happen in the event of this country being involved in war with a Continental nation, if our currency system remained a huge credit system popularly supposed to be based on gold, but with no possibility that the credit money could ever be converted into gold. It has so remained, and the financial conditions which have resulted from the outbreak of the present European struggle must have brought it home to everyone that our present currency system is absolutely unsound, and the question now engaging the attention of the British financial and commercial world is what steps can be taken to repair the widespread mischief that has been so suddenly inflicted on the entire system. I would, therefore, ask you to give serious consideration to the following indication of the line which must be followed to do this by a complete scheme of currency reform. It must always be borne in mind that the moratorium is a two-sided instrument. On the one hand it is designed to give breathing-time to the mercantile section of the community, which was confronted with a complete breakdown of commercial credit, owing in the first instance, as I gather to the failure of German houses to meet their engagements. On the other it was designed to save the national bankruptcy that was threatened, owing to the apparent certainty that the Bank of England, and other banks throughout the country, would not be able to provide money with which to repay the deposits they held for their customers. I am not now concerned with the former aspect, as it must always rest with the commercial community to safeguard themselves as much as possible against such a breakdown of credit, and it is doubtful whether they can possibly do so entirely, in times of such exceptional gravity as we are passing through, when virtually entire nations such as Germany and Austria are not, from one cause or another, able to honour their commercial drafts. But the latter aspect is totally different, for there is no reason whatever why the national money saved by our people should be liable to be annihilated, as has happened now, at a time when the nation most needs to be financially strong.

What Recent Events Have Proved.

- Recent events have amply proved:—
- 1.—That in times of crisis like the present our gold currency utterly fails to carry out the purpose for which it is intended, i. e., to act as an efficient medium of exchange, and to maintain the prices of foodstuffs and manufactured articles at stable values.
- 2.—That there was the certainty of a total stoppage of our trade, if drastic methods had not been adopted to supplement the available currency existing in the country.
- 3.—That gold currencies elsewhere are subject to similar dangers, for a Commission was appointed in the United States of America after the banking crisis of 1909 to consider the best form of a panic-free currency.
- 4.—That there is a much greater need of a panic-free currency in Great Britain, which is a free-gold country, than in America, as the danger of the depletion of our slender gold reserve by having to meet foreign demands for gold is so much greater.
- 5.—That on the approach of the present war, the banks, including the Bank of England, were so nearly depleted of gold that only the extension of the Bank Holiday saved them from having to close their doors.
- 6.—That according to "The Evening Standard" of August 29th, 1914, the London banks alone nominally held over £600,000,000 of deposits, so that, had the banks and the Post Office and other savings banks throughout the country been obliged to close their doors, whole of the vast amount of currency they held, representing the savings and uninvested capital of the people of the country would have been lost, and, except for the small amount held by individuals as floating cash, the whole of the money in the country would have been annihilated.
- 7.—That, although the banks collectively at no time hold more than about 6 per cent. of gold to meet their liabilities, so long as "credit" remains undisturbed, and the deposits and current accounts can be drawn upon by cheque, these cheques fulfil all the purpose of currency.

Would Have Been Absolutely Absurd.

- 8.—That in spite of the fact that the money of the Government is held by banks, and would therefore also have been lost if the banks had suspended payment, the Government can yet issue currency to the banks without possessing any gold, simply by printing paper notes.
- 9.—That the Government have actually issued to the banks, Post Office, savings banks, etc., about £10,000,000 of such paper currency (vide "Evening Standard" of August 29th, 1914) on which they are charging them interest, to obviate the payment of which interest, "while in many cases it has been found useful to retain the notes for use as additional currency, the banks have preferred to pay cash for them, rather than keep them as an advance upon which they were liable for interest."
- 10.—That, therefore, when in normal times banks allow cheques to be drawn, without holding the full amount of gold against them, they in effect "coin money" and make a profit, instead of the Government doing so for the nation.
- 11.—That the logical outcome of the moratorium on its currency side is the total abolition of gold currency and the issue of paper currency by the Government.
- 12.—That the instance of the building of a market

BOND HOUSES ARE TRYING AGAIN TO AROUSE INTEREST

Limited Number of Securities Offered With Some Inquiry—Success of New York Loan Encouraging Signs of an Improvement in Prices.

New York, October 3.—The bond houses are beginning again to send out circulars in an attempt to rekindle interest in the bond market. One such issue by N. W. Halsey & Co. contains a summary of the investment situation, from which we quote as follows: "Until very recently there has been practically nothing the investor could do but await developments. Now, however, a limited list of securities is being offered by many dealers, and any one who has funds may put them to work by buying interest-bearing bonds if he desires. The extraordinary large subscription to the New York city short-time securities indicates that a very large number of investors has reached the decision that there is no reason for a continuation of the do-nothing policy. On the contrary, such investors believe this is the time to purchase sound securities if offered on an attractive basis."

"Many phases of the existing situation point to the conclusion that the present period of low prices for high-grade bonds will not be of long duration. In the first place, we have experienced a tremendous displacement of the credit machinery of the United States. Payment of existing loans has not to any appreciable extent been insisted upon by the banks, but new borrowing, except in cases of absolute necessity, has to the furthest possible degree been discouraged. "The inevitable result of the great shock which has affected the credit structure will be a material contraction in commercial and industrial activity. Business will go slow until it catches its breath. This will result in a great diminution of demand for credit. Some bankers incline to the view that within a few months we shall see just the reverse of the present situation, i. e., a plethora of loanable funds in all financial markets, on account of the limited demand for money from commercial and industrial users."

L. AND N. EARNINGS.

August earnings—Louisville and Nashville—August operative, \$1,700,214; decrease, \$406,850. Operative income, \$90,198; increase, \$4,497. Two months operative, \$8,508,857; decrease, \$518,249. Income, \$2,055,535; decrease, \$180,437.

TELEPHONE STOCK HOLDERS

Eighty-Seven Per Cent. of New England Company Resident in Massachusetts.

Boston, October 3.—Stockholders of the New England Telephone Co. on June 30, 1914, numbered 4,577, of whom 3,556, or 86.43 per cent., were residents of Massachusetts. Exclusive of the parent company ownership, amounting to 251,776 shares, the Massachusetts stockholders owned 162,970 shares, or 37 per cent. of outstanding share capital; including the parent company ownership, 96 per cent. of the stock is held in this state.

The following as of June 30, 1914, and June 30, 1913, is self-explanatory:

	1914.	1913.
Number stockholders	4,577	4,398
Number in Massachusetts	3,556	3,855
Per Cent. in Massachusetts	86.43	87.69
Amount stock in Massachusetts	\$162,970	\$143,701
Amount outstanding	\$431,553	\$430,854
Per Cent. held in Massachusetts	37	33
Shares held by parent company	251,776	251,711
Total shares held in Massachusetts	414,746	395,412
Per Cent. in Massachusetts	96	91

x—Exclusive of present company ownership.

PERUVIAN GOVERNMENT HARD UP.

Lima, Peru, October 3.—The Peruvian government is in financial straits. Banks will loan it \$2,500,000 to help out the present situation, while the government will impose new taxes.

hall by the Municipality of Guernsey, paid for by the issue of "currency notes," supplies a well-authenticated instance of the feasibility of such issues, and of the fact that public works may be so executed and paid for without cost to the nation. The Municipality had the necessary material. Notes were issued, and the workmen engaged; the wages were paid with the notes, the tradesmen, who had been notified by the Municipality that the notes would be accepted in payment of rates, took the notes from the workmen in exchange for the necessities of life, and paid the notes back to the Municipality. When the Market hall was finished and the standards set, the rents were applied in cancelling the notes, which were burnt at a meeting of the Council.

Purely Valueless Currency.

Such an issue which will result in a purely valueless currency, will necessitate the establishment of State banks, which will be merely banks of safe deposit and not trading banks. It will follow: (a) That deposits in State banks will remain unused until withdrawn by depositors. (b) That, as no profit will be earned, no interest will be allowed to depositors. (c) That the function of existing bankers will be to receive such deposits when withdrawn and lend them to traders, etc. (d) That the Government should have a certain definite standard to guide them as to the amount of additional money required annually, so that they may be able to avoid over-issues of currency, which have been the cause of the failure of paper currencies in the past. (e) That, as we all require a certain amount of wheat yearly, but no more, the average price of wheat when world harvests are normal will supply the standard required, the duty of the Government being to issue sufficient currency to prevent the price of wheat from falling when world harvests are normal. (f) That to so regulate the price of wheat and keep it from falling, the issue of about 440,000,000 of fresh money annually will be required. (g) That the Government will provide this, and, as it will cost the nation practically nothing but the cost of printing, this annual sum will be available to reduce taxation (if desirable) and for expenditure on useful national purposes generally.

I must apologise for the length of this letter. I have purposely only dealt with the currency, as it is that which first needs to be put on to a sound basis at the moment, if confidence is to be restored, for our people's faith in our national, commercial and banking system must have been rudely shattered. By the level-headedness of Government and people and some amount of good fortune, we have been saved from complete collapse and chaos, and the time is favourable to an unrivalled degree for re-establishing our system on a true and firm foundation, from which, once done, it could never again be shaken.



COL. F. S. MEIGHEN,
President Lake of the Woods Milling Company,
whose annual meeting takes place next week.

STAND THE MOST CRITICAL TEST

Policy, System and Organization of
German Imperial Bank in
the Limelight

FINANCIAL MOBILIZATION

Hamburg Banker Tells How Prussia Went About
Securing Funds Necessary to Array Herself in
Arms Against the World—What Banks
Could Not Do Reichstag Took Care
to Perform.

"Germany's Financial Mobilization" forms the text of a letter sent to the New York Sun, by Arthur Schmidt of the Commerz und Disconto Bank of Hamburg. We quote part of it as follows:— "From the Austrian ultimatum to Serbia until Germany's declaration of war against Russia only seven days elapsed before all Europe was stirred in arms. Germany is nearly always ready for war, and the actual mobilization did not take her much longer than these days. However, liquidation to provide the capital needed—financial mobilization—is a task which with the big Powers is not to be solved in the same time. Generally in the case of international complications there is time enough to prepare this part of the business, but the present European war came too unexpectedly to enable the bankers of the affected countries to prepare for liquidation or even to gather ready cash in their vaults. The different countries which were drawn into this struggle for life or death had to show, not how quickly they could liquidate their fortunes, but how ready they were to meet extraordinary conditions. This is of interest especially with the German Imperial Bank, the policy, system and organization of which have had to stand the most critical test."

It is a well-known fact that the German Government kept 120,000,000 marks in the Julius Tower of Spandau, which in case of war were to be transferred into the vaults of the Reichsbank. Since the middle of 1913, as a special precaution, the Government had added to this treasure nearly another 120,000,000 marks in gold and 120,000,000 in silver, thus bringing the war reserve to about 350,000,000 marks in actual metal.

Under Certain Restrictions.

Furthermore, in the vaults of the bank the metallic reserve, against which three times the amount of notes under certain restrictions may be issued, had through constant increase during the past years reached the highest balance in its existence. The last statement in July shows a total of about one and one-third billion marks of metal stored in the vaults of the bank. Against this amount about four billion marks notes could be issued. The actual circulation, however, did not reach even 1,800 millions at that time. It is plain that the rest, over two billions, was ready cash to the bank.

But upon the outbreak of the war the 350 millions Government reserve, were added to the amount already in possession of the Reichsbank, making her metallic total amount to nearly two billion marks, against which about four billion marks, or \$1,000,000,000 in bills, are ready for issue.

On the other hand, just before the declaration of war, the Government deposits with the Reichsbank showed extremely high balances. In addition to this, we must take the 250 millions dollars extraordinary national defence tax, just to be collected from the people. This one account alone puts another billion marks at the disposal of the Kaiser. Besides these amounts and the 350 millions of the Julius Tower, the Reichsbank in special session of August 4, passed a law for five billion marks extraordinary war credits.

It was not only a precaution on the part of the Reichsbank that it raised its rate of discount from 4 to 5 and from 5 to 6 per cent., but it was its duty to try to hold the metal by these means. The business world could not be hit as hard by these measures as it would have been by other possibilities. How carefully its administration handled this question is shown in comparison with the Bank of England, which . . . raised its rate from 4 to 8 and from 8 to 10 per cent. And the fear of a run induced it to close its doors for four days.

Proved Much Stronger.

Nothing of all this happened in Germany. Here the different stock exchanges proved much stronger than those of Paris and London, which appear to have broken down completely as the rumors of imminent war spread.

Everything was handled with careful restraint and considerate circumspection in Germany, and what the management of the Imperial Bank could not do the Reichstag took good care to perform.

Thus, in that short session of August 4 several laws were passed, one exempting the Reichstag from the note tax. Also the so-called "Darlehnskassen" (loan banks), were founded with the assistance of the Imperial Bank, which have the special right to issue notes up to 1,500,000,000 marks. Their purpose is to help the business world and to lend money against securities and goods at a cheaper rate than the big banks could do. Furthermore, the Reichsbank, in order to keep the metal in its vaults, was exempted from the duty to pay gold against its own bills. It must be admitted that during the first days of the war fearful people kept as much metal as possible at home, thus depriving the financial market of many millions. As a matter of fact, after the political situation had cleared up a little about 250,000,000 marks in gold floated back to the Berlin banks within one week.

This is briefly the way in which Germany has mobilized her financial forces. Of course, had she not been so "architect" these measures might easily have proved a failure, and a much higher rate of discount, as well as more stringent laws, would have been necessary, with the ultimate result of heavy damage to German credit and trade for all time.

SUGGESTS MAKING AMERICAN SECURITIES MORE ATTRACTIVE

Europe Should be Placed in a Position Where She
Would be Constrained to Withhold Them
From Sale as Long as Possible.

New York, October 3.—Speaking at a mass meeting of employees of Pennsylvania Railroad, Ivy L. Lee, executive assistant of Pennsylvania, said in part: "We cannot look to Europe for new capital for several years and shall be obliged to finance our own vast enterprise. If we are to enjoy expansion, we shall have to finance that, too. It thus becomes incumbent on us to make our securities so attractive that Europe will be disposed to withhold them from sale so long as possible."

Bond and note obligations of American railroads maturing before the end of next year aggregate over \$250,000,000. Pennsylvania must next year refund some \$95,000,000 of capital liabilities. In addition new capital required for normal development of American railroads is upwards of \$400,000,000 per annum.

During four years ended June 30, 1914, the Pennsylvania system increased its investment by over \$272,000,000. Gross increased over \$34,000,000, while expenses increased nearly \$55,000,000. After having dedicated \$272,000,000 irrevocably to public service, not was worse off by \$21,000,000 than before the \$272,000,000 had been spent.

This situation has been intensified by the war, for a higher rate of return on all investments must be earned, else new capital cannot be obtained and existing securities will inevitably decline.

There are many impediments in the way of reducing expenses. There are arbitrary laws compelling employment of unnecessary men. Pennsylvania system spent last year upward of \$1,100,000,000 on account of the extra crew law.

The management would shrink from reducing wages. The system paid in wages last year \$190,000,000, at a rate nearly 35 per cent. higher than 1909, and over 10 per cent. higher than 1908.

Pennsylvania has always paid a dividend. Its policy has been to pay moderate dividends, and make those regular and reliable. No corporation in the world as a consequence enjoys greater confidence of the investing public. Over 90,000 persons are investors in Pennsylvania stock, nearly half of whom are women. The Pennsylvania dividend, conservative as it is, should continue a bulwark of American railroad finance.

THAT GERMAN INVASION

Operations in Belgium Held to Be a Moral as Well as
Political Blunder.

Boston, October 3.—A Boston banker, whose lifelong avocation has been the study of military history and strategy offers a new criticism of Germany's action in invading Belgium. He says:

"Germany's invasion of Belgium has been severely criticised in its moral and political aspect. The only excuse that Germany has to offer is the plea of military necessity. There are strong reasons for regarding the invasion as a blunder on strictly military considerations."

"The frontier between France and Germany is very short, and could itself be easily defended. Close behind the frontier is the strong natural defensive line of the Rhine. If the Germans had chosen to operate on the defensive against France, it is probable that Germany could have held the French frontier, or at least the line of the Rhine, with a very small portion of her total force, and with three-quarters of her effectiveness plus the original Austrian strength certain success."

"The Germans have always insisted that this war was the struggle of the Teuton against the Slav, and that they had no quarrel with France except as the ally of the Slav. By taking the offensive against France, a country possessed of nearly as many trained troops as Germany, it has been necessary to devote the major portion of the German forces to this enterprise while the Russians have been rapidly eliminating the Austrian armies."

"Now when Germany has to deal with Russia, she will be lucky if she can utilize half her own strength, and the assistance that Austria can render will be of very little consequence."

ROCK ISLAND EARNINGS.

Chicago, Rock Island and Pacific—August operative, \$6,420,282; increase, \$289,617. Operative income, \$1,555,619; increase, \$203,483. Two months operative, \$12,221,794; increase, \$448,273.

Operative income, \$2,526,004; increase, \$258,950. Rock Island Lines—August gross, \$5,668,030; increase, \$342,382. Net, \$1,608,282; increase, \$190,227. Two months gross, \$12,703,781; increase, \$584,414. Net, \$2,618,655; increase, \$283,680.

54 VESSELS CHANGE REGISTRY.

Washington October 3.—Since September 8th, 54 foreign built vessels with 217,201 gross tonnage and valued at \$15,000,000, have taken out United States registry. Question or principle of price has not in the opinion of Assistant Secretary Sweet, of the Department of Commerce been involved in any of these new registers. Vessels were previously under the British, Belgian and German registry.

MARITIME PROVINCE SECURITIES

Quotations furnished by J. C. Mackintosh & Co. Members Montreal Stock Exchange, Exchange Building, Halifax.

Miscellaneous:	Asked.	Bid.
Acadia Sugar, Pref.	100	95
Do, ordinary	65	60
Brandram-Henderson, Com.	30	25
East. Can. Sav. and Loan	145	140
East. Trust Co.	162	158
Mar. Natl. Pref. with 40 p.c. com. stock bonus	100	98
Mar. Tel. and Tel. Pref.	102 1/2	100
N. S. Underwear, Pref.	98	95
Do, Com.	85	80
Stanfield's, Ltd. Pref.	95	90
Trinidad Electric	78	75
Bonds:—		
Brandram-Henderson, 6 p.c.	97 1/2	92
Eastern Car, 6 p.c.	100	95
Mar. Natl. 6 p.c.	100	98
N. S. S. and C. 6 p.c. Deben. Stock	98	95
Porto Rico Tel. 7 p.c.	105	100
Stanfield's, Ltd. 6 p.c.	95	90

ity have proved a failure, and a much higher rate of discount, as well as more stringent laws, would have been necessary, with the ultimate result of heavy damage to German credit and trade for all time.

GOOD MACHINERY IN BANKING LAW

American Controller of Currency Has
No Doubt it Will Work
Satisfactorily

FINANCIAL OLIGARCHY DOWNED

Describes United States as Being Now "On Mount Ararat," Surrounded by Confusion and Raging Storm—Cites Possibilities of Expansion Under Federal Reserve Act.

Indianapolis, October 3.—The principal speaker before the Indiana Bankers' Association, in convention here, was John Skelton Williams, Controller of the Currency. Williams called attention to the fact that the United States, at the present time, "is the Mount Ararat of a universe overwhelmed by a deluge of blood, of confusion and raging strife," and that the country stood upon the threshold of a great opportunity for that reason. He said in part:

"The Federal reserve act is not a measure which serves only banks and their customers, but it is destined, I firmly believe, to exert a powerful influence for good on the lives and fortunes of all classes of our population. It is the instrumentality through which the American people will be freed from the domination of a financial oligarchy. It restores to the channels of commerce and industry hundreds of millions of dollars of money which was drawn from the sections where it was most needed to be idle in the vaults of the big banks in two or three cities, or else be loaned by those banks largely on demand loans in the stock market."

It provides for a system to meet completely and effectively the requirements of expanding or contracting business according to the seasons and the varying conditions, and it accomplishes along the most natural lines the mobilization of the bank reserves, and devises the methods by which they can be most safely and fairly utilized."

Removes Fears of Runs.

It practically removes from honestly and capably managed banks all fears of runs or the dread of suspension or failure, by providing the means for quickly converting into currency the commercial paper in which its funds may have been invested."

By the system of clearing which the bill provides for, it is estimated that several hundred million dollars heretofore kept in transit and in unavailable balances, will be released for the needs of business, while the delay and expense of making collections of checks will both be eliminated."

It opens the way for the establishment of branches of our national banks in foreign countries so as to secure for this country a larger share of the world's commerce. It removes the barrier which prevented the national banks from lending on real estate, and makes improved real estate acceptable as a basis for loans under conditions clearly and conservatively defined, so as to bring into active commercial use one of the most substantial of all securities."

In its efforts to provide for present and to guard against further and future demands, the country has been steering a cautious course between two perils. Money enough for ordinary and extraordinary requirements incident to conditions unprecedented, and not only to move the crops, but to hold some crops the normal demand for which was suspended, was urgently needed. Yet such inflation of the currency as might threaten our gold reserve and impair our public credit and the value of our money would be suicide."

Preservation of Credit.

Self-preservation demands first the preservation of our credit. With that wounded, we would be unable to maintain ourselves; miserably powerless to help others, left impotent and feeble and shamed, while opportunity turned its back on us. If we allowed the currency supply to become inadequate for our requirements, we might inflict the penalties of confiscation and ruin on the innocent many in the enrichment of the designing and remorseless few."

If we should allow inflation of the currency away from safe and solid bases of actual and irreproachable value, we would be like a man draining himself to frenzy and torpor while his honor and the safety of his home depended on his steadiness and strength. Therefore we have felt and tested and studied and have striven to work and build swiftly but carefully, to act promptly, but with thoughtful provision for the situation as it is, while keeping alert eyes on the possibilities of the days and months to come."

In this work all of us have united. It is deeply gratifying to me to be able to certify how much the country owes of its growing prospects and increasing stability to the genius, skill and generous patient, broad patriotism of its bankers in all sections. Those of New York, Chicago and other large cities have been not only willing but zealous in co-operation and with valuable and timely service. Most of them have tendered their resources and their services to help the public interest. But the people of all grades and sections have, as a general rule, done what they could to forward a difficult and complicated labor."

Differences in Politics.

The Administration has been given full cause to feel gratefully and exultingly that, when the common defense and the general welfare are involved, the free citizens of the United States have no lines of differences in politics, in actions, in social grades or in the distribution of the favors of Fortune. The people, regardless of party, have given cordial and cheerful sanction to every movement and act approved by their reason as being for the good of the Republic. The work of adjustment and of getting the machinery of business on perfect foundations and oiled and leveled is not completed; but it is well started with safe and efficient methods. We and our business machinery will be required to work not only for ourselves, but for the world. The task is enormous, but it is in conjunction necessarily. In protecting our own stability, we protect the world's finance and commerce. In conserving the interests of the other nations, we conserve our own and improve the opportunities that practically are forced upon us. Along with illimitable responsibilities, the prospect of illimitable expansion confronts us."

BANK CLEARINGS.

Chicago clearings, \$51,165,239; decrease \$11,520,574. St. Louis clearings, \$12,168,995; decrease \$1,654,878.

REDUCTION IN OIL.

San Francisco, October 3.—Standard Oil Company of California announced reductions in California crude oil prices ranging from 2 1/2 cents to 15 cents a barrel.

CONFIDENCE STILL STRONG IN CANADA

Volume of Trade, However, Has
Increased Materially During
Past Week

PROVISION DEMAND SMALL

Gross Earnings of Canadian Railroads for First
Three Weeks in September Show a Decrease
of 4.7 Per Cent.—Commercial Failures
Less Heavy.

Despatches to Dun's Review from branch offices in G. D. Dun and Company, in leading trade centres of the Dominion of Canada, indicate that well maintained confidence prevails, although the actual volume of business has not increased to any great extent. Montreal reports that the movement of seasonal merchandise is rather slow, though satisfaction generally expressed that sales are in as fair a volume considering prevailing conditions. Return is rather quiet, but wholesalers are not especially busy, but some manufacturing lines are more active, especially those engaged on government contracts.

Retail trade at Quebec is in very satisfactory shape for this season, and little complaint is heard from wholesalers regarding conditions. Halifax reports little change in the trade situation, there being still a moderate demand for reasonable commodities, but industrial lines are quiet with most factories working on reduced time.

Numerous manufacturers at Toronto are receiving good orders and in some mercantile lines business has improved. There is a moderate movement in goods, and a fair demand for groceries and provisions. Business at Hamilton is quiet, and a conservative feeling prevails in practically all lines. Business in all lines throughout the far west and northwest is fairly well maintained and is reported to be well up to the average for this season. Demand for groceries and provisions has fallen off at Winnipeg, but there is a brisk movement of men's furnishings, clothing and footwear, and the department stores state that sales are well up to those of a year ago in these lines. City trade is quiet at Saskatoon, but country merchants are buying more freely and the outlook is encouraging. Wholesalers at Regina report an active demand for staple lines, especially in food-stuffs. Wholesale trade shows some improvement at Calgary, and there is a better demand for seasonal merchandise. Country merchants are buying more freely at Edmonton, and indications on the whole are regarded as favorable. Retail trade is rather quiet at Vancouver, but jobbing lines show improvement and confidence is gradually returning.

Gross earnings of all Canadian railroads reporting for three weeks in September show a decrease of 4.7 per cent., as compared with the earnings for the same weeks for the corresponding period a year ago. Commercial failures in the Dominion of Canada this week numbered 60, as against 71 last week, and 13 the same week last year.

Bradstreet's Report.

New York, October 3.—Business in the older sections of Canada is slow, but in the agricultural regions it is picking up. The war tends to stimulate such lines as textiles and leather. Wheat threshing in the Prairie provinces is almost finished and shipments are heavy, but those farmers who are in a position to hold their wheat show no anxiety to sell, expecting as they do that prices will be higher. Collections in the Northwest display considerable improvement. Bank clearings at sixteen cities for the week ending with Thursday aggregate \$147,087,000, a drop of 2.7 per cent. from last week, and of 23 per cent. from the same week last year.

Bradstreet's Report.