

Banks, Bankers and Banking

Credit Stringency Unrelieved by Gold

Although the extent of the recent movement of gold to New York is not apparent it cannot be expected to afford a basis of relief from the present credit stringency, the National Bank of Commerce in New York says in its monthly review of the money market published in the May number of its magazine, Commerce Monthly. After referring to the recent issues of 7 per cent bonds and equipment trust certificates by the Pennsylvania and New York Central railroads and the recessions in the prices of other bonds, including Liberty issues, the review says:

"Meanwhile it is well recognized that a tremendous volume of financing, railroad, corporate and foreign, is waiting a favorable market. The difficulty is that there is not available sufficient new capital to meet the requirements for it. The situation requires skilful handling in order that available capital may be directed into those undertakings whose development is most essential to the restoration of normal conditions of production and commerce."

In the course of its comments on the general market situation, the Bank says:

"Commercial activity has continued during the month, but a feeling of hesitancy still prevails. Although credit is still available only for essential

lines, the volume is sufficient for legitimate business. It is questionable, however, whether the limitation of credit has checked commercial speculation as effectively as if has checked speculation in securities. This is due to the fact that the purchasing power of the country continues on so high a level that demand in many lines is still in excess of supply. Although the retail trade reported the heaviest Easter trade known, increasing uncertainty is felt as to advance business. Imported goods are appearing on the market in larger quantities, but it is doubtful as to whether they will be available in quantities sufficient to affect the market greatly. Uncertainty as to the price future is also shown by hesitation on the part of manufacturers in making future commitments for raw materials. Although a gradual recession of prices would have a beneficial effect upon the many industries now retarded by high costs, no marked lowering of prices can be anticipated while present high production costs prevail.

"Production and distribution continue to be seriously handicapped by unsatisfactory transportation. Building activity, while it has not yet even approximated a point where it can offer much relief in the present dwelling and office shortage has made a very appreciable gain."

The United Farmers' Co-operative Co. are rapidly extending their interests, and within the past two months have acquired a cold storage plant and a large mill, and a bakery. Their latest move is in taking over of the Toronto Creamery, one of the largest in the city.

Spring operations on the land in Manitoba commenced early in many localities, ploughing being under way at Morden on April 15. Farmers in all parts of the province are now busy seeding under most promising conditions.

Two hundred and fifty British settlers who passed through Montreal on the way to Ontario possessed a total capital of about one quarter million dollars. There were many former army officers among them as well as farmers, agricultural laborers, and domestic servants.

Westfort, Man.—The Canada Iron Corporation intends spending \$250,000 on their plant at Westfort Man. The innovations consist mainly in the installation of labor-saving devices. When alterations are completed it is expected about 404 men will be employed, and that the output will be about 175 tons per day.

A total of 4,150,847 bushels of potatoes were exported from Canada to all countries from August 1st, 1918, to July 31st, 1919. May, 1919, was the banner month, total exports amounting to 877,659 bushels.

The population of Toronto is now placed at 562,585. The value of building in 1919 was \$19,819,436 with 7,544 permits issued. The number of manufacturing establishments in the city is 1,400 with 85,000 employees, a yearly production of \$300,000,000 and a payroll of \$60,000,000.

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