

SURVEY OF THE WEEK

To Curb the "Bears."

As a result of the break on the Montreal Stock Exchange last week, when steels, utilities, cottons, and the paper issues in particular, went down to new low levels, some of the largest brokerage firms in the city met to consider plans for the protection of stocks, and the prevention, as far as possible, of further impairment of values. While nothing was made public as to what transpired at this meeting, it is thought probable that some action was taken to restrict any short selling that may be in contemplation. The feeling is that stocks are already far below their intrinsic value in the vast majority of cases, and should not further be made a target for "bears."

Reduction of Current Loans.

The readjustment process which business has been undergoing in recent months, is reflected in the bank statement for November which has just been issued. Current loans show a reduction during the month of more than \$45,000,000, and this comes on top of a decline of \$12,000,000 in the month of October. This is all the more remarkable when it is considered that this reduction has taken place during a period when current loans ordinarily undergo a very considerable expansion, the increase in November last year, for instance, amounting to \$84,000,000. It will be seen, therefore, that the restriction of credit facilities has been very real and it would appear that the policy pursued is producing the desired effect. Savings deposits rose to a record level during the month, the gain being nearly \$21,000,000. Circulation declined by about \$15,000,000, compared with an increase of \$18,000,000 in October.

Easier Banking Conditions in 1921.

Business men are justified in feeling confident that the money situation in the United States in 1921 will be a very different matter from what it has been during 1920, says the President of the National Bank of Commerce. Certain specific factors are clearly recognizable as the chief adverse forces affecting bank credit during the past year, and there is every reason for believing they will not be so powerfully operative in the year to come. These facts sprang irresistibly from abnormal circumstances in the national life which are passing away. But at times their influence in impairing the efficiency of the credit machinery was so great as to cause serious anxiety. With the force of these influences modified, banking may expect to serve the needs of legitimate business with a less degree of credit strain than prevailed in 1920.

Conditions in Great Britain.

Mr. J. E. McFarlane, general manager of the Western Canada Flour Mills, Limited, of Toronto, who visited extensively in the United Kingdom during the past season, states that Great Britain is doing wonderfully well, thanks largely to the excellence of her financial system. As abroad, the crux of the situation in the United Kingdom was the labour problem. Labour would not work as before the war, and this development was the heaviest and most serious of the costs of production. In addition, the entrepreneur, or small business man, who forms the basis of the business community, was sharing the relaxation and lethargy of the wage earner. This is evidenced by the exaggerated and wasteful spending, by the looseness in business methods, and the casual disregard of future developments and possibilities.

Imperial Bank's New Building.

Work on the new Imperial Bank building, which is to be located on the northwest corner of King and Yonge streets, Toronto, is not likely to start before 1922. The high cost of building and tenants' leases of the present building, combine to prevent the immediate erection of the building, although the bank is cramped for space in its present quarters.

From a bank official it was learned that the new building, while it will be a large one, will not be a "skyscraper." Various office buildings in United States' cities have been inspected to find a type suitable for the size of the lot and the requirements of the bank. The chances are that the new building will be about the same size as the Dominion Bank building, on the southwest corner. At present the Grand Trunk Railway has a lease expiring in 1922 to their present premises, on the site of the proposed Imperial Bank building. Unless the Government should build a combined building for the Grand Trunk and the C. N. R., the G. T. R. is not likely to wish to vacate before the lease expires.

Trade Between Canada and Italy.

At the recent general meeting of the "Istituto Italiano per l'espansione Commerciale e Coloniale," of Venice, Italy, (The Italian Institute for the expansion of foreign and colonial trade), which is under the patronage of the Italian Government and the hon. presidency of H. E. Signor Luigi Lazzatti, it was stated that the work done by the Institute has been considerable and varied. Satisfactory inter-trade relations have been established and strengthened with many of the world's markets, much business has been done through the instrumentality of the Institute with the Near East, Egypt, Tunis, Morocco, Western Europe, Central and Southern America, the United States and Australia. Special mention is made of Canada where the Institute has been able to introduce many articles of much importance—chemical products, silk goods, furnishing fabrics, tapestries, preserved foods, perfumes, buttons of vegetable ivory, etc. The Italian Consulate General in Canada strongly recommends the Institute to all Canadian commercial classes interested in and desirous of establishing trade connections with Italy as an efficient, reliable and up-to-date source of information and intermediary.

Improved Supply of Bituminous Coal.

The situation in regard to supplies of bituminous coal in Canada has improved to such an extent within the past few weeks that it has been found possible to partially remove the embargo on exports of bituminous coal from Canada, and shipments under individual license will now be allowed from the Maritime Provinces. Unless some difficulties at present unforeseen should arise in the next couple of months, it is hoped by officials of the Railway Board that it will be unnecessary to again prohibit export of coal, but the necessity of securing a license for each shipment of coal out of the country will be a guard against any danger of shortage.

Cash Resources of U. S. Immigrants.

United States citizens coming into Canada to take up residence here are bringing considerable wealth with them, according to statistics of the Immigration Department. The amount of cash and the value of settlers' effects, in the eleven months ending November, aggregated \$17,519,033, and it is expected that another million at least will be added during this month.

To Establish Australian Credits Here.

Canadian exports to Australian, New Zealand and South African ports are still dropping, due to the restriction placed upon drafts on customers in these countries by Canadian banks, owing to the failure of the customers to establish credits in London against purchases.

Advices received in Toronto by manufacturing interests say the Dominion Government is now considering the question of allowing credits to be established by the Australian and New Zealand Governments to care for purchases in Canada. In the meantime Canadian shippers are endeavoring to have buyers in Australia and New Zealand establish credits in London to handle the business still being done.

Back to 1914 Prices.

The retail buyers have been making very light purchases this week, and as a consequence the wholesale trade has been very quiet. A prominent dry goods merchant made the statement that there was about fifty million dollars worth of dry goods in the hands of the wholesale trade in Canada at the present time, prices of which will have to be adjusted before they can make sales to the retail trade. It is reported that the retail trade will readjust their prices after the holiday season is over and that some of the big retailers in Canada are going to reprice all their stock, at prices prevailing in the year 1914, irrespective of cost. Some of the employees of the retail stores are in receipt of notices from their employers, that after the holiday season is over, salaries are to be readjusted.

Canadians Ask Payment Before Shipment.

A letter received from the office of the Canadian Trade Commissioner in Glasgow, Scotland, says: "Many inquiries have been received at this office regarding demands by Canadian firms to receive payment for goods before shipment from Canada. Importers here ask that thirty days be allowed after arrival of documents in Glasgow, in which to examine and pay for the goods, and this arrangement they consider to be quite reasonable, and willingly agreed to by countries other than Canada. It is the opinion in this market that the foregoing conditions are causing a big loss to Canadian trade."

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