

SURVEY OF THE WEEK

Bank of England's Position.

The "London Chamber of Commerce Journal" finds that the Bank of England is becoming weaker and the discovery is not pleasant. The bank return made up to October 6th, showed a reserve of under £14,000,000 which was the lowest total since shortly after the outbreak of the war. Not only so, but the proportion to liabilities was extremely low at 8½ per cent. The Bank has suffered through the necessity of transferring large amounts of its notes to the currency notes redemption account, and although to an extent corresponding to such transfers the coin and bullion had been raised, there had been no corresponding reduction, but rather an increase, in the liabilities in the shape of deposits.

Loss on Cotton.

Cotton growers in the southern states according to the most authoritative sources of information, must resign themselves to a loss on this year's crop. It is estimated that this year's crop will be in the neighborhood of 12,000,000 bales, possibly more. The cost of planting the crop is said to have been about ten or eleven cents per pound, the total producing expense, inflated by the war scale of wages still in effect, ranging from 23 to 25 cents per pound. From the fact that cotton recently sold for as low as seventeen cents and that it is still hovering around nineteen, it is not surprising that cotton is being stored by the producers in expectation of a market recovery.

Lake of the Woods Combined Balance-Sheet.

At the adjourned annual meeting of the Lake of the Woods Milling Company held on Wednesday, a combined balance-sheet was submitted to the shareholders which dealt with the Lake of the Woods enterprise and all its subsidiary organizations. The capitalization as at September 1st, stood at \$3,500,000 of common stock and \$1,500,000 preferred, making a total of \$5,000,000. The combined property assets amount to \$4,354,226, which, it is presumed, includes the Keewatin Flour Mills, the Sunset Manufacturing Co., and the Medicine Hat Milling Co. The working capital figures revealed in the consolidated showing disclose a strong position, current assets exceeding liabilities of a like category by \$3,844,067 as compared with \$3,481,089 disclosed in the exhibit of the Lake of the Woods Co. at the end of August.

The Fall in Prices.

Whoever may have held the lingering belief up to the last four or five weeks that the fall in commodity prices was merely sporadic in nature or accidental in coincidence, must by now have had his mind disabused, writes Spencer Trask & Co.

The fall in prices is beyond all question due to very fundamental causes which are not only all-embracing in their character but world-wide in their scope. The Japanese crisis of last summer has more recently been duplicated in Cuba in an aggravated form; Holland is in the throes of a campaign of deflation, and more than one other country is contemplating embargoes or other measures taken only in time of great financial or economic stress. In the United States, the panic which for months had been generally rumored as coming, has not, and will not we feel safe in saying, develop in the manner in which it has been popularly expected.

Trade Disorganized.

On the other hand, the fall in the price of raw and manufactured products has been so great that it has entirely disorganized particular trades, and in numerous lines is either entailing very heavy losses, or else is leaving no legitimate margin of profit. It has, for instance, been calculated that the value of crops in the United States has fallen one billion dollars below the estimates of last summer, and there have been equally impressive losses in other directions. The following hasty survey shows the present range of raw products, compared with the high prices ruling during the recent period of extravagance and inflation: Wheat, \$2.25 against \$3.05; Sugar, 7-8c against 23 cents; Cotton, 22½c against 42 cents; Copper, 15c against 35.74 cents; Hides 22c, against 53 cents; Rubber 25c, against 95 cents.

To this list we should add coffee, which recently sold at 6c, against a price of 8 cents before the war, and a high price since then of 24½c.

Fall Trade Disappointing.

Owing to the very fine weather experienced and the talk of lower prices, trade for wholesale merchants has been rather disappointing this Fall. According to Bradstreets weekly trade report for Montreal, clothing manufacturers are making very little new stock, some of the factories are closed down and others are working on short time. Some manufacturers have reduced their prices very materially, preferring to take their loss now, rather than hold and make a much heavier loss later on. The boot and shoe trade is another line which finds it difficult to make sales. Stocks on hand are heavy and a large quantity of American-made shoes are coming into the market at greatly reduced prices. Fur prices have taken a big drop but buyers are still holding off in the expectation that after the holiday trade is over, there will be further substantial reductions.

Justified in Restricting Loans.

Addressing the shareholders of Molson's Bank at the annual meeting last week, Mr. Wm. Molson Macpherson, the president, said:—"The deposits of the Canadian public in the chartered banks of Canada show an increase for the year of \$70,000,000, but the bank loans in Canada have increased by \$360,000,000. This justifies the banks in their present policy in restricting loans. You are doubtless aware that for the past four or five years the Canadian banks have supplied their customers with the necessary funds to conduct their business with

little, if any, increase in discount rates, and our customers at the present time are discounting their bills at lower rates than can be obtained in Great Britain or the United States. We are sure that the Canadian public must value the steady money market they have enjoyed all through these troublesome times."

Another Shipbuilding Co. Suspends Operations.

Another shipbuilding company engaged on the construction of Government ships has suspended operations. The Prince Rupert Drydock & Engineering Co. was constructing under the government programme two vessels of the 8,100-ton type. One of these ships was nearing completion and would have been launched in December, and the other was expected to be put into commission by February. About 800 men are affected by the suspension, and in view of the distress which further delay in payment of overdue wages might entail the Government has asked the consent of the London Guarantee & Accident Company with whom the Government is protected against loss, to the payment of the men by the Government. The Guarantee Company has the option of completing the ships.

Chaos in the Sugar Market.

Chaos is the only word to describe the sugar market in Montreal. The desire to unload before prices go to a lower level has become intensified. Refiners are not issuing list prices any more, as most of them, it seems, have been selling below the list prices in anticipation of such a break as has occurred. It is stated on good authority that two big refineries had been selling granulated sugar in large quantities at 13¼ cents net. "It is the most extraordinary position I have seen in a quarter of a century," is the opinion given by one sugar broker. "Everything seems to have broken up. The refiners do not know what each other is doing, nor do the wholesalers, and it seems that the retailers are buying very sparingly, watching and waiting for the turn of the market."

Natural Resources of Nova Scotia.

A 70-page booklet entitled "Natural Resources of Nova Scotia" with 16 illustrations and a map has just been issued by the Natural Resources Intelligence Branch of the Department of the Interior, Ottawa. This is the latest of a series dealing with various sections of the Dominion, the booklets previously issued having dealt with New Brunswick, the Peace River, New Manitoba, Saskatchewan, etc. The opening paragraph of Nova Scotia clearly indicates the object of the series when it says "The facts in this booklet are compiled for the use of the homeseeker, merchant, manufacturer, capitalist and visitor. They purpose to be up-to-date, authoritative, concise." Each booklet forms a basis of standard official information and is revised as each edition is exhausted. The booklet now before us contains a list of products re-shipped from Halifax which could easily be manufactured in Canada; a special section on West Indian and British Guiana trade, details about oil-shales, coal, limestone and iron, aeronautics, merchant marine, clays, salt, land prices and wages—all subjects of present interest. Statistics are made palatable by an interesting style and suggestive touches. Nova Scotia is crossing the threshold to great activities, and both to the many native born who left the land in the last generation and to the many about to sail from overseas the booklet will be a reminder that the chances in Nova Scotia now seem as bright as is its summer beauty.

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