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the leaks. The best tonic that the market can have at present is steady buying by the investing public to reduce the volume of floating securities which at present is undoubtedly extremely large. This investment buying, however, will certainly need time to make itself effective.

"WITHOUT A BANKING PANIC"

It is being remarked in many quarters where price revisions are under discussion that the present is probably the first occasion on which the country has passed through a period of economic and industrial reorganization "without a banking panic." In former days the economic structure simply proceeded to grow steadily until inflation reached its logical result and there was a breakdown. Failures followed and there was a sharp collapse of the price mechanism. The result was what is called "deflation," but it brought with it much ruin and at times an almost total stoppage of ordinary business.

The *New York Journal of Commerce* says:—

The features of present readjustment, which differ from former periods of a similar sort, are seen in the fact that the banking mechanism has faithfully and effectively supported sound institutions and enterprises up to the last and has never failed them. The total volume of credit to-day is larger than it has been at any time. What the banking system has done of recent months has been to eliminate the speculative credit which was responsible for the undue advance of prices, thereby bringing about a restoration of prices to a footing of normal exchange. There has never been a time when business of a legitimate sort could not get the accommodation it needed or when the depositor could not obtain what he was entitled to at the bank.

There is no system of banking which can finance an indefinite speculative advance of prices, and if there were it would be the greatest curse to humanity that could be devised. What is needed everywhere is a system that will both afford the support legitimate business needs and at the same time refuse support to speculative undertakings which seek only to advance prices to the consumer. Up to a short time ago it was supposed that present arrangements would permit only the former course of action. Recent events show that the contrary is the case. This results in disappointment to some, but the benefit to the community as a whole is the greater notwithstanding. No more valuable service could be rendered by any banking system than the furnishing of conditions that will permit a readjustment without the familiar concomitant of panic and failure.

THE TURN OF THE YEAR

The "turn of the year" is the time now confidently set by some professional optimists as the date at which there will be the expected improvement in financial conditions. Whether the predictions thus made will be realized depends, however, entirely upon what is done in the meantime. To effect much improvement there must be a larger and steadier movement of crops to market, a decided improvement of the export situation and an enlargement of the demand for foreign bills, thus enabling the financing of export shipments, and a better money outlook. Whether these results can be secured or not depends largely on the work that is done in the meantime to bring about a more stable situation. At present there is little co-operative effort in any direction to effect such results and small sign of the application of positive remedies for a state of things that is far from reassuring. Whether there will be more decline in stock market prices is not so important as the question whether conditions can be rendered such as to permit and assist an ultimate advance. There is a good deal of call for some constructive measures looking in that direction.

Statistics of Construction

Construction contracts awarded in all the cities, towns, villages and rural districts throughout Canada during October, according to figures compiled by MacLean Daily Reports, Limited, totalled \$18,169,500, or \$5,409,800 less than in October, 1919. The total for the ten months of 1920 is \$231,459,800, an increase of 40 per cent. over the 1919 figures.

Shall the Retailer Cut Prices

Shall the retailer slash prices or shall he hold them at present levels and permit his business to be slashed to a point far below normal? Faced with a decision many retailers are considering plans to lower present markups and still retain a sufficient margin of profit to keep going until smoother water is reached.

One department store manager declares his conviction that just now the necessity for moving merchandise is greater than the necessity for profits and that it is a better policy to do business at a loss than not to do business at all. *Marine Merchant.*

LONDON GUARANTEE & ACCIDENT CO.

Mr. H. C. Thiselton, general manager of the London Guarantee & Accident arrived in New York this week.

Of late the London Guarantee has been branching out, and it is stated will be engaged in the fire insurance business in the United States in the near future, through a running mate.