

Ontario Bank disclosures would have on depositors in general. But if the movement goes on and the balances are wiped out or depleted still further, it is obvious that if the banks are brought face to face with another crisis the only way they could strengthen themselves would be through forcing liquidation in the Dominion—something that would be decidedly unpalatable for all classes of borrowers. The indications are, however, that the foreign balances will be restored to some extent in the next few months. No inconsiderable part of the extra demand for funds arises from the tie-up in grain. Now that the arrival of ocean steamers is beginning at the port of Montreal, plenty of bills of exchange drawn against produce shipments should be promptly available. No doubt the very large London overdrafts shown by some of the banks were created in anticipation of being covered by such shipments. The negotiation of the bills would thus result in decreasing current loans in Canada and in reducing the balances due to banks or agencies in the United Kingdom.



**COMMODITY PRICES IN EUROPE AND AMERICA.**

The rise in commodity prices during recent years has had such marked effects upon both producers and consumers that no doubts exist as to its reality. As to the exact degree of the advance, popular opinion is less certain—varying greatly with the individual view point. But reliable index figures are now available covering the price range during recent years, both in Great Britain and the United States, and these may be taken as fairly representing general conditions in Europe and America respectively. A. Sauerback's annual review, as printed in the London Times, gives the following index numbers of the prices of 45 commodities:

	Average.		Average.
1867-77	100	1898	64
1878-87	79	1899	68
1888-95	68	1900	75
1890-99	66	1901	70
1896-1905	68	1902	69
1883	82	1903	69
1889	72	1904	70
1896	61	1905	72
1897	62	1906	77

It will be noted that the index number for 1906 is 5 points higher than in the preceding year, viz., 77, against 72, which is an advance of nearly 7 p.c. It may surprise many to learn that it is 23 p.c. below the average of the eleven years 1867-77, as that stood at 100 p.c. of the showing of the standard period, which was equivalent to the average of the twenty-five years 1853-77. The year 1906 is, however, 26 p.c. above the lowest point which was reached in 1896. Articles of food were slightly lower than a year ago, but the rise for materials amounted to 10½ p.c., and their index num-

ber is the highest since the early part of 1880, when it stood at 89.

In the United States, the Bureau of Commerce and Labour, at Washington, has just completed a most extended investigation relating to wholesale prices of 258 commodities during 1906 as compared with preceding years. The increase in average price from 1905 to 1906 is given as 6.5 points, which is 5.6 p.c. of the 1906 index number 115.9. The advance over 1897 (the year of lowest prices in the 17-year period covered), was 36.5 p.c. And the 1906 average was 22.4 p.c. higher than that of the ten years from 1890 to 1899. The highest point during the seventeen year period was reached in December, 1906, the average for that month being 4.1 p.c. higher than the average for the year 1906, and 6.3 p.c. higher than for December, 1905.

In the following table the 258 commodities are divided into nine groups, information being given for each as to its per cent. of price increase or decrease for 1906 as compared with that for 1905.

Group—	No. of commod-ities.	No. of P. ct. of Inc.	No. of commodities showing No change	Inc. in price	Dec.
Farm products	16	*0.5	10	6	6
Food, etc.	53	3.6	28	5	20
Cloths and clothing	75	7.1	66	5	4
Fuel and lighting	13	.5	7	1	5
Metals and implements	38	10.4	29	7	2
Lumber and b'ld'g materials	27	9.6	24	3	3
Drugs and chemicals	9	*7.2	3	1	5
House furnishings	14	1.7	4	9	1
Miscellaneous	13	7.4	7	2	4
All commodities	258	5.6	178	30	50

\*Decrease.

Of the nine groups, only farm products and chemicals show a decrease in price, that in the former case being but slight. The greatest increase of the year was in the price for metals and implements, the advance being 10.4 p.c. Only two articles of the 38 included in this group decreased in price—bar iron at Pittsburg and files. Lumber and building materials showed an increase of 9.6 p.c., and of 27 articles in this group only three showed a decrease.

The Bureau has also divided the 258 commodities into the two classes, raw and manufactured—the former, numbering 50, includes all farm products and such other raw materials as coal, wool, crude petroleum, pig iron, bar silver, jute, etc., etc. Thus grouped the wholesale price of raw commodities for 1906 was 3.9 p.c. higher than for 1905, while that of manufactured commodities showed an increase of 6.1 p.c. The report states that during the year the fluctuation in the prices of raw commodities was greater than in the prices of manufactured articles.

In March the price of raw commodities was 29