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they may as well face basic facts instead of calmly ignoring them, and be guided accordingly. What the policy of the Government will be in this connection remains to be seen. There is one aspect of the matter which deserves attention in view of the immense importance of the export of wheat to the prosperity of the whole Dominion. In circumstances like the present, where markets have got started on a decline, there is always the danger of conscienceless speculators knocking the market to pieces and causing heavy losses to those legitimately engaged in business, losses beyond what might have to be taken were the law of supply and demand functioning normally. It is of a good deal of importance to Canada that this kind of thing should not happen in the wheat market, and it is a danger for the guarding against which by Government action; there is good precedent. Whether, however, such action is possible, in view of the fact that quotations at Liverpool and not quotations at Winnipeg, govern the price of the cereal is another matter. The farmers have at least one remedy in their own hands; if they are dissatisfied at existing prices; they can hold their wheat and can decrease next year's production. It may be noted that the latter measure has been most discussed in the United States, but it appears that there are yet no obvious indications in the extent of the purchases of ploughing instruments, etc. that the American farmers have decided to go out of business extensively.

There are some fears that with the advent of a period of declining prices, other interests, besides the farmers, will turn to the Government for aid in difficulties. This extraordinary development is doubtless a result of the habit of looking to the Government in all kinds of circumstances—a habit which has developed very largely since 1914. The simple fact which those engaged in all lines of business have to recognize at the present time is that the prosperity of the last few years has been quite abnormal and that, painful as present losses may be in particular circumstances, they are merely

the trimming down of those abnormal profits to the normal average. Conservative business men have recognized the abnormality of recent circumstances all along, and have fortified their position so that losses in the immediate future will not be fatal. Everyone faced with a declining market under present circumstances is entitled to make the best terms he can to realise his goods to the best advantage possible—but those who have bought or speculated imprudently must stand the consequences of their imprudence.

The latest returns of Government revenue indicate that the new sales tax and luxury tax are bringing in very handsome revenue collections, which include these taxes, totalling for seven months of the fiscal year \$29,500,000 against \$7,000,000 for the corresponding period of the last year. With these new taxes producing on this scale it seems possible enough that the expectation widely held in business circles that the Business Profits War Tax will be dropped in 1921, may be realized. Obviously in any case, this tax is not likely to be so lucrative for 1920 and for 1921, if it were continued, as it has been in some recent years, and the reduction in the graded scale of taxation under the cut inaugurated by the last Budget has been generally considered as the beginning of the end of what was admittedly a temporary measure of taxation. Income Tax receipts for the seven months also show a considerable improvement over last year, their total of \$6,585,418 comparing with \$1,673,628. In this connection it is to be remembered that the really heavy incomings on this account will only begin in November when the assessments for 1919 begin to go out.

Comparing the total revenue and expenditures this year's seven months' total of Government income is \$219,905,911 against \$159,085,559 in 1919, while total ordinary expenditure, increased, of course, by interest on the last War Loan issue compared with last year, is \$152,624,397 against \$122,722,617. Thus increased income is keeping well ahead of increased expenditures—which makes at least a beginning in the process of the recovery of the national figures.

The local Stock Exchanges continue in a moribund condition and there are probabilities of little general activity until money becomes easier. Prospects of this consummation are now no brighter than they were a month ago, and there is at least a possibility that the circumstances in this respect will not change for some time pending liquidation of the banks' present loans, and the release of private funds, of which a good deal at present are apparently finding employment elsewhere than at the Stock Exchange.