

# SURVEY OF THE WEEK

## The Credit Situation.

The downward revision of prices continues to be the factor dominating the general business outlook, according to the National Bank of Commerce, New York in its review of the credit situation. The movement is a natural and inevitable corrective of the unstable condition created in the previous period of rising prices, reckless public buying and widespread speculation. The acceleration of this movement means that business must now go forward on a lower price level and such a readjustment cannot be effected without embarrassment in individual cases, but by reason of the inherent strength of the credit situation, and the co-operation of the banks with business, it is likely to be effected without serious general results.

## Sugar.

The hearing relative to the order issued by the Board of Commerce prohibiting the importation of sugar came to a sudden end last week, when the representatives of the Canadian refiners did not contest the contention of the Government that the issuing of such an order was outwith the power of the Board. The order, consequently, was rescinded. On Thursday, the sugar refiners had a long interview with Sir Henry Drayton and presented a claim for government aid of some sort to help them meet the crisis that had come upon them. No information was given out as to the form of assistance asked, but it is believed that the sugar refiners pleaded for a remission of customs duties on raw sugars already received or purchased, or in the alternative, a government loan to those companies most seriously affected.

## Private Sales of Ontario Bills.

Toronto financial firms had a surprise sprung upon them on Thursday when it became known that an issue of \$3,000,000 six per cent six months treasury bills had been privately sold to Aemilius Jarvis & Co., and the Home Bank of Canada, in joint account. The surprise was occasioned by the fact that tenders had not been invited in the usual way and thereby securing competition. It is stated that one bond house had been asked to tender verbally and that they had refused to enter the field on that basis. The principal and interest of the new issue are payable at Toronto and Montreal, and the bills are issued in denominations of \$5,000 and \$10,000. The price paid to the province has not been disclosed. The issue will be offered locally it is said, to yield six per cent.

## Labor Troubles Affect Securities.

Reviewing the effect of the labor situation in Britain on the world's security markets, Edmund Randolph, a New York broker, sums up the outlook thus:—"Labor unrest is world-wide, largely as a result of the war. It is not going to simmer down and subside because there is nothing local in its nature. It looks to me as if the fight were going to be fought in England and the basis of the settlement arrived at there will practically be the basis for the world to settle on. Labor markets are no longer isolated. Cables and telegraphs make their pulse beat as one. The malady with which they are afflicted is practically the same. Until these troubles assume a more definite shape and some prospect of settlement can be seen, the security markets are disposed to go very slowly, and I think they are right. The caldron is going to boil over and not simmer down and grow cold."

## Canadian Wool Market.

Bed-rock prices rule in the Canadian wool market, and it is not considered probable that there will be any further cut in the prices in that line. Men, prominent in the wool trade, do not seem to be so pessimistic as the average man who has wool to sell. They are satisfied that conditions are not so serious as they have recently been depicted. It is felt that the worst is over and that the situation in wool has already been well liquidated. Hopes that strength would be given to the market by the opening of the Australian sales, have not been realized, however. These sales did decide what price could be obtained for Australian wool and Canadian prices have been readjusted accordingly. The real problem of the wool market seems to be the using up of accumulated stocks, and the difficulty of finance is the retarding factor.

## Employment Curve.

A decrease of 2,936 persons, or four-tenths of 1 per cent. in the number employed by 5,030 employers throughout Canada, is reported by the Dominion headquarters of the Employment Service of Canada in the summary for the week ending October 2, as compared with the preceding week. As compared with the middle of January there was an increase of 49,691 workers, or seven and three-tenths per cent. The figures used in this report, it is stated, do not include loss of time due to strikes or lockouts. The 5,030 employers represented for the week of October 2 had an aggregate payroll of 732,413 persons. The most noteworthy increases in the number of persons employed were reported in logging, clay, glass and stone products, textiles and railway transportation. Railway construction, lumber and its products, and iron and steel, were among the industries registering decreases in employment.

## Wheat Control.

Replying to the pleas that have been made to the Government for the re-establishment of Government control in the marketing of wheat, Sir George Foster, Minister of Trade and Commerce, has issued a statement in which he says that the Government is watching the various purchasing systems employed, and marketing conditions generally, in this and other countries, and is ready to take steps to ensure the fair marketing of Canadian wheat should a situation similar to that of last year develop again. Discussing the reason why wheat this year is selling at a lower figure than in 1919, and the contention of Mr. Wood, the president of the Dominion Council of Agriculture, that it was because Great Britain and other nations were working together to get the wheat at the lowest possible price, while Canada and the United States, as selling nations, were taking no intelligent action to get the best possible price, Sir George Foster says that that contention will not bear analysis, and adds that if the board were to be re-established as last year, a Canadian embargo on both the export and import of wheat would presumably have to follow, that with the United States market open and the Canadian market under control, the tendency would be to freer purchasing in the American market and the consequent stopping-back of the Canadian wheat movement.

## The Trouble in Britain.

The labor situation in Great Britain is causing much uneasiness elsewhere than in Britain. The strike of the miners was serious enough, but the situation has become more ominous with the threat of the railwaymen and transportation workers to come out on strike in sympathy with the miners. Opinion in England seems to be that a great disastrous conflict cannot now be averted. One can scarcely conceive the extent of the catastrophe to industrial life in Britain should the railwaymen and transportation workers put their threat into execution. For some time past the production of coal in England has been so very much below normal that stocks cannot be large, and it is stated that in less than three weeks, all the textile factories for instance, Britain's largest export industry, would have to close down.

## Groundings on the St. Lawrence.

In one day last week three mishaps were reported to have taken place to ships on the St. Lawrence. Fortunately, none of them was serious. Two ocean freighters and one river boat grounded. The Elder, Dempster steamer Chama went ashore about 15 miles below Quebec on Bellechasse Island. The steamer Georgie, of the Cie Canadienne Transatlantique, went ashore shortly after passing Quebec on her outward trip from Montreal to Bordeaux. The third mishap was to the Saguenay, of the Canada Steamship Lines, which touched ground near Batiscan wharf. The prevalence of fog is given as the reason for these occurrences.

## Uncertainty of Prices.

There has been a rather erratic feeling in the wholesale trade due to the uncertainty of prices, says Bradstreets weekly trade report. Retailers are not inclined to buy much ahead, and are only ordering in small quantities. While it may take some time for prices to come down to a reasonable basis, everyone is satisfied that top prices have been reached, and are now on a downward trend. It is better for the trade that prices should come down slowly. The banks are using pressure to reduce stocks in almost all lines, by refusing further advances owing to the fact that they themselves are using all their available funds to finance the grain crops. The flour market was stronger this week, prices are advancing fifty cents par barrel. The annual statement of some of the leading flour mills of Canada show a big decline in earnings during the past year, but the companies still remain in a very strong financial position.

## Heavy Cheese Exports.

Our exports of cheese during the past week were quite heavy, but the trade is booking very little new business, the markets ruled easier with butter selling several cents below last week's decline. There is a heavy stock of leather in the hands of tanners and manufacturers of leather goods bought at high prices which it is almost impossible to dispose of. In the raw hide market, steer and cow hides are selling at 10c per pound against 52c per pound last year. Bull hides are offering this week at 10c per pound against 42c per pound last year. Calfskin and lambskin also show a big drop in prices.

## Embargo on Securities.

In London financial circles there has been some comment on the action of Sir Henry Drayton in renewing the embargo against the importation of Canadian securities. The London Times, commenting on the embargo, asks why Canada does not also prohibit the importation of motor cars and diamonds from United States. The minister of finance had a meeting with the members of the Toronto Stock Exchange yesterday with regard to the regulations affecting the importation and sale of Canadian securities held abroad. The Minister of Finance later will meet financiers in Montreal to discuss the same question with them. It appears that there are some features of the regulations which have caused dissatisfaction in financial and stock-brokerage firms in Canada, and it is these features particularly, and not the removal of the embargo which Sir Henry Drayton will discuss with the Montreal men interested.

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