

Private discount rates in France and Germany are nominal and it is perhaps idle to quote them.

NEW YORK POSITION.

Call loans in New York ranged from $2\frac{1}{4}$ to $2\frac{1}{2}$ p.c., most of the business being at the higher level. Time money has been rather easy. Sixty days, $3\frac{1}{2}$ to $3\frac{3}{4}$; ninety days, $3\frac{1}{2}$ to $3\frac{3}{4}$; six months, $3\frac{1}{2}$ to 4 p.c. In their Saturday statement the clearing house banks at New York showed strengthened reserves. Loans decreased \$2,600,000; net deposits increased \$6,000,000; note circulation decreased \$2,300,000; aggregate reserves increased \$8,100,000; and excess reserves increased \$6,500,000, standing at \$120,500,000. There has been not very much change in the position of the various federal reserve banks. The New York bank shows, however, a decrease of over \$5,000,000 in its cash. This is supposed to represent purchase of New York city warrants. The bank still has about 99 per cent. of its deposits in the form of hard cash; and as most of the others are in much the same position, it is hard to see how they are going to make any profits of consequence. The rediscounts are very small, and do not seem to be increasing. Thus New York has only \$565,000 in rediscounts; Philadelphia \$244,000; Chicago \$3,045,000; Boston \$153,000. The national banks appear to be staying with the big reserve banks in New York and Chicago, which have carried their accounts in the past; and unless there is a decided change in this respect the new banking system will prove to be a most expensive affair.

The official rates of discount quoted by the several reserve banks have been tending downwards. For thirty day paper San Francisco quotes 4 p.c., and all the others excepting Dallas and Cleveland quote $4\frac{1}{2}$. For longer periods the discount rate ranges from 5 to 6 p.c., New York, Boston and Philadelphia being at the straight 5 p.c. level.

WHERE CIRCUMSTANCES ALTER CASES.

The true story is told of a man who went to the office of one of the American Insurance Commissioners and asked if the Commissioner of Insurance had authority to reduce his fire-insurance rates. A copy of the law was given him, with the explanation that, upon reading it carefully, he would find the commissioner had no such authority. He then volunteered the opinion that the authority should be given him. Upon inquiry it developed that he was engaged in the hotel business. The Commissioner asked how his visitor would like a law establishing an office of Commissioner of Hotels, with the right to lower hotel rates. To this he indignantly objected as being unfair; he could see no parallel in the two cases. When asked to point out wherein the difference lay, he stated that there was all the difference in the world; "to lower hotel rates would take money right out of my pocket, but an insurance company is a corporation."

WANTED: EFFICIENT PRODUCTION.

(Continued from front page.)

Under the conditions which have existed latterly, the losses through bad debts in Western farmers' accounts by those banks which have fully recognized their obligations to finance the farming community are equivalent to at least 2 per cent. annually on the amount loaned. Reduce such losses to the trifling percentage which prevails, say, in Ontario, and the banks could afford to reduce their lending rates to Western farmers proportionately. Then, too, given a condition of prosperity which would permit farmers to obtain all their credit from the banks and to pay cash for their purchases, the general storekeepers would be enabled to lower very greatly their price lists. It is the same all along the line.

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The whole matter, it will be seen, is of Dominion-wide interest. A prosperous farming community in the West will go a long way towards ensuring a prosperous Canada. We have been dissipating our energies over too wide a field too long. Is it too much to expect that Cabinet Ministers and others who pride themselves on being the leaders of the country will lend a practical hand towards solving the present problem of more production through concentration of energies, the elimination of waste, better methods and greater efficiency of production. Spouting common-places is no use.

METROPOLITAN LIFE'S MUTUALISATION COMPLETED.

The Metropolitan Life Insurance Company has notified policyholders who, under the law, were entitled to vote on the proposed mutualization plan that the four steps necessary for the mutualization have been completed. The final step was the approval of the Superintendent of Insurance of New York State, which has been given in writing. Policies now on the books, written as non-participating, will automatically become participating. The first policies issued by the Company as a mutual company will bear the date of January 7, 1915.

MUTUAL LIFE OF CANADA'S INVESTMENTS: A GOOD REPORT.

Mr. P. D. McKinnon, manager of the loan department of the Mutual Life of Canada at Winnipeg, reports that interest payments on an investment of \$5,000,000 in Manitoba are being well met, but that there would probably be a loss in deferred interest payments this year as compared with 1913 of between \$10,000 and \$20,000. The accounts for 1914 have been made up and instead of a decrease as compared with 1913 there had been a slight increase. The actual sum paid in 1913 was \$299,000 while in 1914 the amount was in excess of \$300,000. The results thus reported were obtained in the territory covered in Manitoba and south-eastern Saskatchewan. In addition to its investment of \$5,000,000 in Manitoba, the Mutual Life has \$3,000,000 invested in Saskatchewan from which province the reports of interest payments are also satisfactory. In Winnipeg interest in arrears is less than 5 per cent. of this total.