

volume throughout September—the farmers evidently being quite ready to sell at the high prices now prevailing. It is well known that the flour milling industry in Canada is working to the utmost capacity, and that the prospects are for the indefinite continuance of this extraordinary activity, inasmuch as the millers are in receipt of very large orders from abroad.

HOME MONEY MARKETS.

The home money markets are unchanged. Call loans are quoted at 6 to 6½ p.c., and mercantile paper at 6 to 7. The August bank statement showed that our bankers are able to realize on their foreign call loans notwithstanding the closing of the stock exchanges in London and New York. This must be taken as most encouraging for further improvement in the money market.

LONDON MONEY.

Call money in London is 1½ to 2 p.c., and discount rates in the open market are ¾ to 3¾. Bank of England rate is held at 5 p.c. Also the Bank of France and the Imperial Bank of Germany adhere to the official rates heretofore quoted, viz.: 5 and 6 p.c. respectively. In New York call loans are 6 to 8, which figures, like those quoted for the continental European countries are largely nominal. Time loans also are 6 to 8 p.c.

NEW YORK POSITION.

The clearing house institutions in New York have succeeded in improving their position. According to the Saturday statement, in case of banks and trust companies, the loan contraction amounted to \$3,576,000 and the cash gain to \$6,880,000. Note circulation increased \$7,545,000; and the net result of the movements was to reduce the deficit from \$38,384,000 to \$30,709,000—the improvement being \$7,674,000. In case of the banks alone the deficit was cut down by \$8,495,000.

It is reported that the buying of the New York City 6 p.c. notes recently issued denotes a steady increase in the investment demand. The two year notes are now at 101¾, and the three year notes sold up to 103¾.

Lake Superior Corporation's annual report shows that the surplus from the operations of the subsidiary companies for the year was \$2,511,345, compared with \$2,514,221 the previous year. Interest on bonds and on bank and other advances amounted to \$1,542,323, as compared with \$1,101,825 last year. The Lake Superior Corporation derived from subsidiary companies \$437,880 and received as other income \$10,174. From this was deducted interest and general expenses, including interest on the first mortgage bonds amounting to \$424,644. This left a balance to be carried forward of \$23,410. No interest is paid this year on the income bonds, owing to the continuing necessity for outlay upon the older plants and property of the steel company and consequent inability to provide the Corporation with sufficient revenue. Plants are at present operating on part time.

FINANCE AND THE WAR.

(Continued from front page).

time paper marks sold at 20 cts. against 23¾ cts. for the coin and Austrian kronen at 16 cts. against a value of 20 cts. for the coin.

On the whole there is good reason to believe that British credit and French wealth and thrift combined are immensely superior to any financial resources possessed by the enemy. They will have no small share in making final victory a certainty.

INDUSTRIAL CORPORATIONS AND THE BANKS.

Apart from the few industries stimulated by the war, many manufacturing companies in the East and in the West are not in good position, writes a Toronto correspondent. In too many cases the companies are indebted to their bankers for large sums and the means for paying the debts are not in sight at present. It will be remembered that the banks advanced funds to many of their industrial customers for building purposes a year or so ago in the expectation that bonds could be placed in London to liquidate the advances. The war has made the prospect of bond flotations in Europe more than ever remote; and the question as to how these long-standing building loans are to be disposed of has become a serious one. The existence of these loans, combined with the difficulty of finding markets for the products of the factories, has forced a number of the important concerns to pass their dividends. Under the circumstances the bankers of an industrial company are not at all disposed to allow the cash resources to be applied in payments of dividends to stockholders. Indeed, many companies are habitually obliged to borrow money or discount paper at the bank in order to pay dividends and just now the banks are not in the mood for advancing funds for this purpose.

Also, there are cases where sufficient relief cannot be obtained through discontinuing dividend payments. Pressure for funds has been so great in certain instances as to cause default in bond interest. There will have to be reorganization of industrial concerns on quite a large scale as soon as financial conditions improve a little. It is now seen that the capitalization of quite a few companies has been permitted to grow unwisely during the last few years; and the mistakes will have to be corrected. For the time being it is not clear where the sound industrial companies are to get the money needed for clearing away their building loans and special loans. Perhaps the banks will be obliged to take long term bonds, or even stock, in the meantime.

What is said to be the first instance of a round million dollars of endowment life insurance being issued in one transaction became public in the announcement that F. H. Peavey & Co., the leading grain elevator corporation of Minneapolis, has just taken for its own benefit half a million each on its president, Frank T. Heffelfinger, and its vice-president, Frederick B. Wells. They had been covered some years ago by temporary insurance of like amount. The permanent policies now taken contain an exceptionally large sinking fund element which matures them to full payment in twenty years. The line was placed among a number of companies through Warren M. Horner, who represents the Provident Life & Trust Co. of Philadelphia.