

any rate, even if they do fight, like wild beasts, until they are exhausted, the end cannot now be long delayed. Thanks to the manifestation of a greedy and quarrelsome disposition, the Balkan States will apparently derive no real profit or gain from their defeat of Turkey.

NEW YORK POSITION.

Call loans in New York are quoted from 2 to 2½ p.c. with most of the business at 2¼. Time money is reported very firm and scarce, as the city institutions are practically out of the market. Sixty day loans are quoted 4 p.c.; ninety days, 5 to 5¼; and six months, 6½. The outgo of gold to Paris has had a tendency to offset the return flow of dividend money to the big American centre. All clearing house institutions, in their Saturday statement, reported loan expansion of \$10,313,000, cash gain of \$2,900,000, and decrease of \$541,000 in surplus. After this reduction the surplus stood at \$19,414,800. In the case of banks alone there was a slight increase of surplus—\$144,250. Loan expansion amounted to \$6,386,000, and the cash gain was about \$3,000,000.

ADVANCES AD INFINITUM.

The demand for increased wages preferred by the conductors and trainmen of the Eastern railways is to be submitted to arbitration under a new bill just passed by Congress. So the danger of a great strike is believed to have been averted. However, railways stockholders have to take into account the probability that the arbitrators will grant a part at least of the men's demands. Every arbitration yet has had that result and it will be strange if this one differs from preceding cases. Then, if the conductors and trainmen get an increase, the engineers will probably put in their demands, and finally the firemen, to complete the cycle. Then the conductors and trainmen begin again and so on *ad infinitum*. With these prospective increases of expenses and the Government forbidding rate increases, it is small wonder that the investment public is losing interest in railway shares. The companies cannot get capital except at exorbitant rates. Northern Pacific the other day paid over 6 p.c. on an issue of notes. This state of affairs has a tendency to depress industry and trade.

It now looks as if the year 1913 would prove as disastrous for marine insurance underwriters as was the exceptionally unfortunate year 1912, says a London advice. The first six months of last year included the Titanic disaster, which involved underwriters in tremendous losses, but it now proves that the first half of the present year has brought even greater hardship in the aggregate. The total claims against Lloyds' underwriters for the last six months are semi-officially returned at £3,876,400, or £62,700 more than for the corresponding period of 1912. Actually it is believed the total will work out at about £5,000,000 for the last six months, against approximately £4,000,000 for the first half of 1912.

BRITISH BANKS' HALF-YEAR.

A Very Favorable Period—But Depreciation will Probably Prevent a Rise in Dividends.

There can be little doubt that when the various British banks have issued their statements it will be seen that the past half-year has been one of the best and most profitable on record. Owing to the general political unrest, and to a very considerable extent to the flood of new issues, rates have been very high during the period, and especially was this so during the first three months, in which time, observes the *Financial News*, the banks found themselves in the somewhat unusual position of being able to leave their money at call and yet to be able to earn almost as much thereby as if they had bought bills.

The level of rates was considerably higher than in the corresponding half-year of 1912, in particular the day-to-day money commanding about 17s. 8d. and three months bills £1 os. 8d. more than twelve months ago. On the other hand, it must not be forgotten that bankers have had to pay for their deposits much more this year than last, the difference being about £1 6s. 8d. But this has only had to be paid on the deposits, which may be taken roughly as 50 per cent. of the total current and deposit accounts on the books, the rest remaining with the banks free of interest. The good fortune of bankers, however, has not stopped at these augmented rates. In addition, they have had an increased amount of funds to use, as a consequence of the fact that current and deposit accounts have been generally on a higher level, this being one of the results of the lack of confidence in the investment market, whereby much money has remained with the banks which in normal times would have been utilised in the purchase of Stock Exchange securities.

DEPRECIATION IN INVESTMENTS.

Turning now, however, to the other side, we find that there is still one unsatisfactory feature, and that is the depreciation in the value of investments. At one period during the half-year it was thought that the depreciation would have been less than formerly, but the very decided slump during the last month has unfortunately completely altered the aspect, and it may be taken that the amount which has to be set on one side for depreciation during the past six months will be certainly not less than has been the normal level during the last year or so. Of course, these continued appropriations to depreciation have the effect of raising the yield on the securities held by the banks, and in this respect, so far as profit is concerned this half year, the benefit is being reaped of the large sums which have been so applied in the past.

While on this question of depreciation it may be pointed out that as an increasing number of banks now only make up their balance-sheet yearly, frequently in December, it may be anticipated that the actual accounts set aside for depreciation will, in many cases, not be stated for the end of June, although, of course, internal provision will be made for it, and it may be possible that before the figures for December are compiled there may have been a reaction on the Stock Exchange which will have wiped out a certain proportion of the present fall.

ADVANCED DIVIDENDS IMPROBABLE.

Although the general tenor of the foregoing remarks is satisfactory, it is not probable that dividends will be increased, as although in many cases the