

NEW YORK POSITION.

In New York call loans are $2\frac{3}{4}$ p.c.; sixty day loans, $3\frac{1}{2}$ to 4 p.c.; ninety days, $3\frac{3}{4}$ to 4 p.c.; and six months, $4\frac{1}{2}$ to $4\frac{3}{4}$. The clearing house institutions effected a substantial increase of reserve strength as shown in the Saturday statement. Taking banks and trust companies there is shown loan contraction of \$3,238,000; cash gain of \$6,400,000 and increase of \$5,776,000 in the surplus reserve, bringing it up to the respectable figure of \$25,579,000. The banks alone reported loan contraction of \$7,118,000; cash gain of \$4,700,000; and increase of \$5,177,000 in surplus. The New York City bond sale on Tuesday was the most important financial event of the week in the American metropolis. The offering was \$45,000,000 bonds bearing $4\frac{1}{2}$ per cent. interest. Expectations were that the average price would be about $100\frac{1}{2}$; but during the course of the day it became apparent that it would be somewhat lower. The net per cent. to investors would work out about 4.47 or 4.48. This constitutes a considerable advance on the net yield pertaining to the city's last previous offering of \$65,000,000 on May 7th, 1912. The net yield on that was 4.21.

RISE IN THE INTEREST RATE.

It is noteworthy that on every successive occasion since November, 1908, on which New York City has offered bonds, there has been an increase in the interest cost. Thus the issue of November, 1908, cost 3.89 p.c. in interest; that of March, 1909, cost 3.93 p.c.; June, 1909, 3.96 p.c.; December, 1909, 3.98 p.c.; March, 1910, 4.15 p.c.; January, 1911, 4.20 p.c.; May, 1912, 4.21 p.c.; and May, 1913, about 4.48 p.c. This steady rise in the interest cost during the past $4\frac{1}{2}$ years probably reflects the increase taking place generally in the interest rate in North America. The increase represents about 16 per cent. Applied to a 6 per cent. loan in 1908 it would amount to 7 p.c. in 1913. At the same ratio of increase a 7 p.c. loan in 1908 might be increased to about $8\frac{1}{4}$ in 1913. So it appears that the higher rates of interest which Canadian borrowers have been required to pay in the last year, on security issues and on bank advances, are not out of line with the increasing value of money on this continent.

A comparison of the volume of business with the underwriting profits and losses of the casualty and miscellaneous insurance companies seems to show that the more business they do, the less money they make, or the more they lose.—*Spectator*, N.Y.

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Of sixty-nine companies, thirty-six lost money on their underwriting operations in 1912, while for the whole sixty-nine the net result was an underwriting loss of \$697,374, or 0.6 p.c. of their underwriting income.

THE APRIL BANK STATEMENT.

Through the absorption of the Internationale by the Home Bank, the number of institutions included in the April bank statement is only twenty-five, of which one, the Sovereign, is inactive. Under the new condition of things, the Home Bank has a paid-up capital of \$1,937,281. Its existing authorised capital is only \$2,000,000 and it has already been intimated that steps will be taken next month to increase the authorised capital to \$5,000,000.

THE COURSE OF LOANS.

In April, there was again a heavy demand upon the lending resources of the banks. Canadian current loans and discounts at the end of the month reached the new high figure of \$89,964,181, an increase over the end of March total of some $8\frac{1}{2}$ millions. This increase, it will be noted, is only about one half as large as that of April, 1912, when these loans showed an increase of some $17\frac{1}{4}$ million dollars. But that large advance may be in part accounted for by the late opening of navigation in 1912, so that the spring rush for mercantile credits came before the beginning of the movement of grain stored during the winter had allowed to be closed up part of the loans by which the grain was carried. It is common knowledge that this year the demands upon the banks from merchants and manufacturers have been unusually heavy. But the release of large amounts of the banks' funds in consequence of the opening of navigation and the movement of large quantities of wheat to Europe disguises in the bank return, to some extent, the size of the demands made upon the banks.

In order to cope with this demand of the mercantile and industrial interests, apparently recourse was had by the banks to their foreign call loans which were reduced by six millions from their end of March level to \$103,212,185. Another slice was also taken off the home call loans, they being reduced by one million to \$69,757,912—about half a million higher than they were at the corresponding date of 1912.

DEPOSITS' SMALL INCREASE.

Canadian demand deposits moved upwards last month by some $7\frac{1}{2}$ millions to \$365,340,002. This increase would be in part accounted for by the extension of credits already mentioned. Notice deposits are only \$725,000 larger than at the end of March, whereas in April, 1912, these deposits showed an increase of over \$9,000,000. While transactions regarding the importation of new capital into Canada have an important bearing upon this total of notice deposits from time to time, the actual decrease which has taken place in these notice deposits since last summer is an indication that the public is being compelled to draw freely upon its bank balances at the present time to finance as best may be those under-