

and avoid unnecessary borrowing. Where the municipality is under obligation to complete works undertaken some time ago, the financing for which is not yet arranged, it would seem to be the best policy to offer the debentures to investors at prices ensuring a successful flotation rather than to attempt the carrying of bank loans indefinitely. There is no assurance or certainty of a decided fall in interest rates in the immediate future and these old odds and ends should be cleared off. It will not hurt the country very much if a moderate amount of deposits in banks are converted into holdings of municipal debentures—the process would result in the cleaning up of loans and improvement of the general situation.

Call loan rates in Montreal and Toronto are 6 to 6½ p.c. as heretofore; and commercial paper is discountable at 6 to 7 p.c.

EUROPEAN MONEY.

In London call money is 1½ to 2 p.c., and discounts are ¾ to 3½. Bank rate is held at 5 p.c. At Paris the Bank of France quotes 5 as against 4 p.c. quoted in the private market; and at Berlin the Reichsbank quotes 6 as against 6¾ in the private market. As mentioned on preceding occasions these rates are largely nominal, and rates actually asked are in most cases considerably higher.

NEW YORK POSITION.

Call loans in New York rule at 6 to 8 p.c.; and time money, in which there is very little doing, rules at the same figures. The bank statement on Saturday was highly satisfactory. Loans came down \$24,575,000 in case of banks and trust companies; cash holdings increased \$9,070,000; note circulation increased, \$1,540,000; and the deficit was reduced from \$30,709,400 to \$17,986,650—the improvement being \$12,722,000. A similar improvement is shown in the case of the banks alone; and it is thus indicated that the American bankers are making good progress in the work of restoring their credit machinery. The bankers' gold pool is actively in operation and large shipments of coin have been made from New York to Ottawa. New York exchange in Montreal and Toronto is still quoted at a heavy discount, from ½ to ¾ p.c. Perhaps this can be taken as a sign that our banks are still calling loans in New York and that grain bills are going down there in large volume.

NEW MANAGER OF MONTREAL CLEARING HOUSE.

Mr. G. C. Hart, of Montreal, has been appointed by the committee of the Montreal Clearing House, manager in succession to the late Mr. John T. P. Knight. Mr. Hart was formerly connected with one of the banks in the Maritime Provinces, but more recently has been engaged in financial business in Montreal. He will assume his new duties immediately.

LAKE OF THE WOODS' ANNUAL REPORT.

Profits not Quite so Good as in 1913, but Company's Year Finished Strongly.

Profits of Lake of the Woods Milling Company, Ltd., for the year ended August 31 last, were reported at the annual meeting on Wednesday as \$507,939, a decrease of \$42,128 compared with 1913, which showed exceptionally good returns exceeded only in 1909. The mills enjoyed a fairly active autumn and winter, but had a dull spring, while the months of May, June and July were exceptionally poor in regard to the export trade. But as a result of the outbreak of war in Europe, the mills finished their year in August with one of the best months in their experience.

After paying bond interest and the regular dividends of 7 per cent., on the preferred and 8 per cent. on the common stock, and writing down property and good-will accounts by \$50,000 each, the company carried forward \$35,939 to surplus, or about \$160 more than last year making total surplus, \$889,074. The 2 p.c. bonus paid shareholders in 1913 was not continued this year.

Comparative details of the profit and loss account are as follows:—

	1914.	1913.	1912.
Profits	\$507,939	\$549,677	\$457,011
Bond interest	*99,000	*99,000	*100,140
	\$408,939	\$450,677	\$356,871
Preferred dividend	105,000	105,000	105,000
	\$303,939	\$345,677	\$251,871
Percentage	14.47	16.46	11.99
Common stock dividend	168,000	†210,000	168,000
*The Company guarantees	\$750,000	6 p.c. Keewatin	
Flour Mills Coy's bonds.			
†Including bonus of \$42,000.			

The balance sheet shows current liabilities of \$373,224, a reduction of \$153,766 upon last year, while current assets are \$1,448,533, showing a decrease of about the same amount. Inventories of wheat, flour, etc., are reduced from \$1,050,054 to \$659,109, while accounts receivable are \$740,482 against \$530,790. The comparative statement of liquid assets is as follows:—

	1914.	1913.	1912.
Cash	\$48,942	\$13,124	\$42,521
Bills and accounts receivable	740,482	530,790	556,224
Wheat, etc., on hand	659,109	1,050,154	1,163,402
	\$1,448,533	\$1,594,068	\$1,762,147

It would be interesting to know if the people who are shouting so loudly "Business as usual" are paying their staffs' salaries as usual.

Lieut.-Col. Hon. J. S. Hendrie, the new Lieutenant-Governor of Ontario, is a director of the Bank of Hamilton and of the Great-West Life.

The National Convention of Insurance Commissioners has reiterated its former stand on the subject of policy loans and pledged its support to legislation allowing companies to pay cash surrender values and policy loans—except such loans as are applied for in payment of premiums—only after the policy has been in force three years, and to reserve the right to defer such payments for a period of six months, and also requiring them to insert in their policies a provision to this effect.