

NEW YORK POSITION.

Call loans in New York have been firm at 23½ to 3 p.c.—most of the business being done at the higher level. Time money was somewhat weaker towards the close of the week. Sixty days, 4¼ to 4½; ninety days, 4½ to 4¾; and six months, 5 per cent. Clearing house institutions at New York effected a large addition to their surplus reserves as appearing in the Saturday return. Taking banks and trust companies, the loan contraction was \$9,900,000, the cash gain \$3,437,000, and the increase of surplus amounted to \$5,226,700. The surplus reserve now stands at \$10,657,550. In case of the banks alone the loan contraction amounted to \$13,568,000 and the cash gain amounted to \$3,667,000—the increase of surplus being \$5,562,750.

SECRETARY McADOO'S BUNGLE.

The expectations of great relief to the money markets through disbursements of Government funds for crop moving have not been realized. That is to say while the New York money market has been in comfortable circumstances the famous \$50,000,000 deposit by Secretary McAdoo has not contributed to that result in any important degree. There has been so much red tape and delay involved in getting deposits of government money that only a small part of the proposed total has as yet found its way into the banks. Country bankers say there is so much time lost in sending securities to Washington and in correspondence with the department that by the time the money finally reaches them the need for it has passed. The Secretary was determined that he would not make the New York banks the intermediary between the government and the interior bankers. He was going to deal directly with the country bankers. Now he is finding out that it is impossible to do that and at the same time adequately secure the government against loss unless he wastes a great deal of precious time. To get decisive results at once from the use of government funds it is necessary that they be paid over to the great banks at the centres. Probably, Secretary McAdoo begins to understand this better now.

The United States Manager of the London and Lancashire Guarantee and Accident Company, of Canada, has advised agents and brokers that the plate glass policies issued by that Company will in future cover losses caused by inundation. The floods in the Middle West some months back demonstrated the importance of such indemnity.

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The National Surety Company has just executed two large schedule bonds, aggregating total liability of \$655,000, covering the employees of the Massey-Harris Company, Ltd., of Canada, manufacturers of farm implements and other machinery and capitalized at \$15,000,000. The business was obtained by the Toronto agency of the National Surety Company.

HOW LONG WILL IT LAST?

Fox-Farming Produces Amazing Dividends in Prince Edward Island—But Prospects do not Justify Investment of Outside Capital.

A Prince Edward Island journal, rejoicing in the appropriate name of the *Patriot*, publishes with an appropriately patriotic flourish of trumpets a list of dividends declared this year by fox-farming companies in the Island province. The list comprises thirteen companies, and the dividends range from a mammoth declaration of 900 per cent. to a trifle of 20 per cent. The average for the thirteen companies is 208 per cent.

It is excellent news that the Islanders are doing so well out of their new industry. But how long will it last?

"Talk about money in Western Canada real estate," patriotically exclaims the *Patriot*; "it is a mere bagatelle compared with the fox industry in Prince Edward Island."

Now this, if the *Patriot* will allow us to say so, is a rather unfortunate comparison at the present time, when the real estate business in Western Canada is under a thick cloud, and a good many people find themselves engaged in the unpleasant occupation of "holding the baby" instead of taking joy-rides in automobiles on the proceeds derived from the afore-said baby's sale-ride anticipation.

The fact is that the fox-farming companies are dependent for their profits upon the luxurious tastes and vanity of a few rich people, which are about as stable a basis for an industry as shifting sands would be for a ten-storey building.

The universal experience has been that those industries and business corporations are established on the firmest foundations, and in the long run, make the largest returns, which supply either universal necessities or cater to the demands of an enormous number of people.

No one has ever accused the Canadian banks of lack of enterprise in supporting business ventures, but they refuse to have anything to do with fox-farming. They don't believe in its permanence. The outside investor will be well advised to take the same attitude, or he may easily find himself engaged in "holding the baby" once again.

The enterprising breeder of "silvers" is entitled to make all the money he can, but the keeping of animals for fur will be more of a national asset and will be on a more permanent basis when we hear less about \$5,000 foxes and more about \$5 raccoons.

Ignorance is responsible for the mass of half-baked and unwise fire insurance legislation, which is righting but few of the existing wrongs, burdening the public and discouraging honest investments.—*Commissioner Preus, of Minnesota.*