

## NEW YORK SITUATION.

The New York money market has been working slightly easier since the end of the year financing was completed. Call money ranges from  $2\frac{1}{2}$  to 3 p.c.—most of the business being at the lower level. Sixty day loans are 4 to  $4\frac{1}{4}$ ; ninety days,  $4\frac{1}{4}$  per cent.; and six months,  $4\frac{1}{4}$  to  $4\frac{1}{2}$ . The metropolitan clearing house institutions reported in their Saturday statement a small gain in reserve strength. Taking all members the loans expanded \$16,427,000 and cash holdings increased \$11,788,000—the result being a gain of \$2,816,000 in surplus, bringing the item up to \$12,189,550. And in case of the banks alone the loan expansion was \$14,727,000, the cash gain, \$8,819,000, and the increase of surplus \$1,284,000.

## A QUESTION OF PRECEDENCE.

New York has been much interested this week by the hearings and conferences held there by the Secretary of the Treasury and the Secretary of Agriculture for the purpose of getting light on the question of the new federal reserve banks. The New York bankers urged on the members of the Cabinet the desirability of giving the Federal Reserve Bank of New York a large territory and a large capitalization, so that it would not be dwarfed or thrown in the shade by the large New York banks privately owned. This can only be done by making the remaining reserve banks, with the possible exception of Chicago, rather puny affairs. As yet it is not clear what policy will be followed by the Government in this respect. An influential section of the Cabinet apparently desires to cut down the New York federal reserve bank to small proportions so that the rest of the country will not be jealous of the metropolis. If they succeed in carrying their point it is altogether likely that none of the new reserve banks will cut much of a figure in international finance. The big national banks at New York, Chicago, and Boston will perhaps be bigger than the reserve institutions and in the public estimation they may be quite as strong or stronger.

## LORD STRATHCONA'S WARNING.

Canadians should be more careful than ever of the position of the Dominion in the financial markets. Greater regard must be paid to the investor than is always shown to him. The investor who is satisfied with an investment, receives his interest regularly, and does not make capital losses if he wants to realize, remains a friend and interested in the development of the country. On the other hand, if anyone has placed money in securities which do not turn out well, that investor does not go out of his way to say nice things about Canada and the opportunity it affords for the investment of capital. Let Canadians, therefore, guard very jealously the reputation they have built up and the confidence they have inspired in matters of finance, and endeavor to keep their borrowings within reasonable limits for a little while to come. We want investors to feel that in putting their money into the Dominion they can do so with perfect safety and with every assurance that both principal and interest will be promptly paid; and, above all, to understand that the money is being used for legitimate purposes—for the building up of a country which is already recognized as one of the important parts of the Empire.—*Lord Strathcona.*

## LOAN COMPANIES TAKE EXCEPTION TO PRIOR CHARGES.

The prior charges to mortgages which a grandmotherly government in Saskatchewan has loaded the land with were recently the subject of serious complaint by the loan companies, whose representatives met the Saskatchewan legislative committee of agriculture. The loan companies' representatives apparently accepted the existence of the prior charges without demur, but objected to abuses which have grown up in practice. Through Mr. J. Campbell, of the Trust & Loan Company of Canada, who acted as their spokesman, the loan companies' representatives made out a strong case. Mr. Campbell reviewed the situation and in regard to seed grain advances suggested that the loan companies should be allowed to make these and make the collections. The Noxious Weeds Act, Mr. Campbell described as intolerable, causing needless expense and putting the owner or his agent to much trouble. Gopher destruction was another theme of complaint, as leading to abuses. Hospital expenses for the sick and the Mechanics' Lien Act were both condemned, it being mentioned in regard to the latter matter that cases had been known where liens had been filed for coal or provisions and other things entirely apart from permanent improvements to the land. All things considered, Mr. Campbell expressed the belief that there are sufficient grounds to cause the distant investor to think two or three times before investing his money in Saskatchewan farm mortgages and that there was a growing tendency to curtail investments in the province and to direct funds to fields where conditions were more favorable to the mortgage holder.

The provincial ministers to whom these complaints were addressed in reply indicated their willingness to make various amendments in the law, including the legislation regarding mechanics' liens and seed grain advances, while they expressed agreement regarding the contentions in regard to hospital charges but professed their inability to do anything in regard to that matter at present. Thus the remonstrance by the loans companies' representatives was not entirely unproductive, though it could have been desired that the Government representatives had shown themselves more sympathetic to the serious complaints which they were able to put forward. However, the Saskatchewan government seems to be bent upon taking up a position of antagonism to financial institutions. The attitude will find favor only with the unthinking, and as Mr. Campbell indicated, if it is carried too far, the result will be that capital will avoid the province and go elsewhere. Possibly the Government being head over heels in love with its new proposals for co-operative borrowing thinks that it can well afford to despise the loan companies. However, the co-operative borrowing scheme is not yet a reality, and it seems a poor policy to try to dispense with one support in anticipation of having another which may not materialize. In any case, lenders are not likely to be impressed with the value of Saskatchewan mortgages which have numerous vexing prior charges placed by the authority of the government before the mortgage, and they will be inclined to go elsewhere.