From the stock market point of view the Saturday bank statement at New York was unfavorable. In case of all members of the clearing house loans increased $21,744,000 and cash decreased $1,300,000—the net result being a decrease of $6,066,000 in the surplus reserve. And in case of the banks alone the loans increased $16,547,000 while the cash decreased $2,100,000, reducing the surplus by $6,027,000. The surplus remaining was $12,338,500 for all members, and $11,527,250 for the banks alone. A peculiar circumstance in connection with the exhibit was that according to the average statement the loan expansion was only $9,662,000 and a cash gain of $5,000,000 was shown. This difference, indicates that a very heavy loss of cash and heavy loan expansion were experienced at the close of the week. No doubt the shipments of gold to Canada contributed importantly towards the loss of cash.

THREATENED SECURITIES.

Apparently the comparative scarcity of money is not a controlling factor in Wall Street just now. Even if there were plenty of funds available at low rates of interest speculators would hesitate to buy stocks under present conditions. Apart from government and municipal bonds it is difficult to find good securities yielding fair returns that are not threatened in some way by the socialistic tendencies of the age.

THE RAILWAYS CASE.

The case of the railways in the matter of the proposed 5 p.c. increase in freight rates is now being argued before the Interstate Commerce Commission. There has been some disposition among certain classes of shippers to acquiesce in the demand for an increase. But many shippers are stoutly opposed to it and it is by no means a sure thing that the railways will win their case. They would have a better chance of success if revelations like those in the case of the Frisco System (wherein insiders made large profits through building a subsidiary line and foisting it off on the parent company at high prices) were not in evidence.

COST OF NEW FINANCING.

Dominion Steel's new financing, which has just been completed in London, has cost that Corporation in the neighborhood of eight per cent. The yield of these notes to the public was 6¾ per cent. on high-class security, but the public only took 28 per cent. of the issue at the time of offering.

New financing comes high in these days. And at the high figures the British public does not appear particularly keen to get in on Canadian industrials at present.

The Bank of England's rate was continued at 5 p.c. yesterday.

WHY SHORT TERM INVESTMENTS?

Figures compiled by the New York *Journal of Commerce*, show $953,000,000 of maturities of corporate obligations in the next three years, and exhibit an unexampled excess of short term notes over long term bonds. This disparity appears to apply only to the first of the three years, but it is to be remembered, points out the *Journal of Commerce*, that the bonds have been already running for a long period, while notes are being constantly put out and new ones are likely to exceed considerably in amount those paid off in each year, so that the tendency is for the present a continuing one. One reason given for this large investment in short term notes in comparison with bonds is that capital is timid and will not venture into enterprises for new development on account of uncertain risks. It is characterized as a form of hoarding to await a more settled and assured condition.

SCARCITY OF FLOATING CAPITAL.

There is no doubt something in this, but the fundamental reason is the large absorption of accumulated capital in the recent past and the relative scarcity of a floating supply. The result is a demand which cannot be fully met and the necessity of offering high rates to attract what is available. Railroad and industrial corporations are averse to offering such rates beyond what is immediately necessary or contracting obligations for their payment over long periods, hoping for an easier time for borrowing in the years to come. Investors are disposed to get the highest rates they can, if only for a short time, and will not take bonds at lower rates. The borrowers will pay the higher rates for a year or two or three, but will not engage to do it for long terms.

UNCERTAINTY ABOUT FUTURE.

There is a feeling of uncertainty about the future which has much to do with this situation, but if capital were plentiful and seeking investment, as it was fifteen or twenty years ago, it would have to accept lower rates for long terms or lie idle, and prosperous corporations would not be offering high rates for loans which would have to be taken up, renewed or converted in a short time. The fact is that great armaments, public loans and recent enterprises which require much capital from which no immediate return can be expected, have so depleted the supply of capital that it is not to be had on the old terms, and development and progress are under a check on account of past extravagance and waste. At the same time, concludes the *Journal of Commerce*, and partly as a result, there is hesitation and a doubtful situation, aggravated by the menace of political schemes, especially in the United States, the consequences of which cannot be foreseen.

Mr. J. A. Innes has been appointed manager of the Bank of Nova Scotia at Bonavista, Nfld., and Mr. A. G. Bremmer has been appointed acting manager at Carbonear, Nfld.

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A London cable says that the Property Insurance Company, Limited, has gone into liquidation. For several months it has been in a precarious condition and its creditors will probably suffer considerably in the settlement of their accounts. It had been doing a surplus line business on this side.