

lowing despatch, which arrived on the 15th inst., will show the state of things as it existed in New York :

"All manner of rumors were circulated during the early advance, which carried May to 11.41c. July to 10.99c. and August to 10.67c. It was said that the bull clique had been caught heavily short of the summer months and were dropping their May profits in their efforts to cover. It appeared that in the rush yesterday and this morning the shorts had pretty thoroughly covered, and another result of the advance was to attract actual cotton, and this was said to be heading toward New York from all directions. This and the enormous volume of covering recently consummated, naturally eased the situation somewhat, and, while still very feverish, the market at noon was less active, with prices net unchanged to four points higher on the near months and three to four points lower on the distant months. At the best prices of the morning all of the records of the last decade for May, July and August cotton prices were lifted. . . . During the afternoon prices worked down to a level net five points higher to eight points lower, under active profit-taking, but were sharply rallied later as a result of renewed covering, which followed bullish advices from southern spot markets. Toward the close the market again became very excited. May achieved a new record of 11.44c. on the final bulge."

One local result of this excited feeling in the cotton market is that some of the Canadian mills have instructed their agents not to accept orders for September delivery. They represent that even the high price of raw material mentioned above, nearly 11½c. is still below the price they usually have to give for the quality they require and that this is equal to a valuation of at least 2c. per pound higher than they had to give a year ago.

We notice no signs of holding off purchases on account of these high prices. No doubt both wholesale and retail merchants recognize that they are unavoidable under the circumstances and that there is no likelihood of their being merely a temporary condition. Again, the prosperity of the masses of the people is such that they can afford to pay high prices for things which they have to buy in any case.

CANADIAN-BRITISH LUMBER TRADE.

So far as the local trade is concerned there is not much to say regarding lumber conditions, which remain much as they were at the time of our last report. Prices are very firm and show no tendency to fall away, though the state of the labor market may be thought to cause some slight tendency in that direction. Had it not been for the prevalent unsettlement in the building trade, however, it is not by any means impossible that prices would have gone up slightly. As it is, there are numberless cases of people who had intended to build, but who have felt discouraged owing to the many strikes and rumors of strikes, and have postponed doing so until a more auspicious time. There can be but little doubt, if unionists would only realize it, that the labor men are cutting their own throats in taking the provocatively aggressive and inconsiderate course that they have adopted. It will be too late to draw back, when the harm shall have been accomplished. In this connection, it may be said that in the province of Quebec, the lumber business, as many others, was badly upset by the longshoremen's strike in Montreal, now happily settled. The portion of Canada showing the most activity in the purchase of lumber is, naturally, Manitoba and the North West, where the advent of so many newcomers has caused a rush for house-building. At present the demand, even at the high prices prevailing, is greater than the supply, but with the arrival of the summer and better roads, the latter will no doubt catch up.

As to conditions in the British trade, we refer to the circular published by Farnworth & Jardine, of Liverpool, dated May 1st. This says that the arrivals, especially of

pitch pine, are large, even larger than in two previous seasons to date.

Of waney pine there has been no import and consumption small; the stock is light: values remain at high points. There has been a moderate consumption of square and values remain unchanged. The market for red pine is practically bare of stock, and for this wood there is only a limited demand. There is a very limited demand for oak, but prices remain firm, and the stock of really first-class wood is light. There has been a very light import of elm and about an average consumption; values are firm for first-class rock elm, the stock of this is small. Ash is in very little demand and stocks are ample. Of pine deals there has been a small import: the deliveries have been satisfactory and stocks are considerably reduced; prices remain unchanged. Red pine deals are not in much demand and the stock of these is sufficient.

New Brunswick and Nova Scotia Spruce and Pine Deals.—The import during the past month has been 4,970 standards as compared with 3,370 standards during the like period last year; the consumption has been on about a level with the import, and the stock remains practically unchanged; there is no change in values to report. Pine deals are in fair demand at unchanged prices.

MORTGAGE LOANS AND INSURANCE POLICIES.

From time to time we used to hear of unpleasantnesses which have arisen in days gone by because some country banker or some loan company manager had been appointed agent for a fire insurance company. Naturally enough he would use his influence with his customers to get risks on which he could secure commission, and this influence was often potent enough to cause certain insurers to withdraw their risks from one company and give them to the company represented by the country banker or the loan company manager. We used to hear of this, we have said, but the practice is not obsolete to-day, for it is not many weeks since we heard of an instance of the sort. Certain insurance in a strong British company was discontinued because the manager of the loan company, interested in a mortgage on the place, had accepted the agency of a new company, which took the risk at a lower price.

It is not seemly that a man, occupying such a responsible position as the manager of a loan company, should act as agent for a cut-rate office and place, presumably because of lower rates and possibly higher commission, risks belonging to his client in that office. It is neither fair to his client nor to the shareholders of the loan company. The manager of a loan company, like the manager of a bank, should have only *one* interest to serve, and that the interest of the corporation primarily employing him. In such circumstances as those described above there are three parties to the transaction: the borrower of the money on mortgage, the lender of that money, and the fire insurance company. The interest of the agent who diverts the insurance is entirely subordinate. If the agent of the loan company is also the agent of the insurance company, his interest (which is a matter of commission) should be subservient to the larger interests of the others, for his position in representing two possibly conflicting interests is an anomalous one. And the loan company interested may well keep a sharp look-out upon the *bona fides* of an agent who seeks his own individual benefit rather than the good of his employer.

Some of the most important of the mortgage lenders in Canada make, and from time to time, we presume, correct, a list of fire underwriting companies of which they will accept the policies. Such lenders have a right to see that, in the interest of their borrowers and themselves, the policies permitted shall be those of companies which not only