

trusted to do. To quote: "It would require a high degree of optimism to believe it of some of them. It is much nearer the probability to hold that the companies which are the most reckless, and consequently need the largest surplus for the protection of policy-holders, would be the very first to take advantage of any diminution allowed by law in respect to reserve to increase stockholders' dividend, and make a higher bid for business, which the intrinsic merit of the company would not attract."

The commissioner's own conclusion is that the solution of the difficulty lies, not in reducing reserve standards but in providing that the companies be allowed a reasonable time to make good any impairment which results from abnormal conflagration losses. The existing statute of the state he considers as unduly stringent, there being a possible danger of its terminating a company's existence before it had an opportunity to recover from the shock of the calamity. The period allowed should not, he states, cover more than a year—as that period has been proved to be ample, by the recuperation of The Firemen's Fund and other companies which suffered beyond the point of solvency, for the time being, from the San Francisco disaster.



PATENT MEDICINE FRAUDS.

The British Medical Weekly has published an analysis of a bottle of patent pills manufactured in America and widely advertised both on this continent and in the United Kingdom. The analysis showed not the slightest trace of anything but sugar in the pills. The fact that the pills are widely advertised on both sides of the Atlantic is proof that they have a large sale, because patent medicine manufacturers do not advertise for fun. There is no subject, however, so delicately handed by the daily press as the patent medicine question. Naturally enough, because a large share of the profit on the patent medicine business goes to the newspapers, and some of the papers derive an enormous proportion of their revenue from this source. A pure sugar pill is a comparatively harmless fraud; many of the quack medicines are positively dangerous, and others are for reasons that need not be discussed here, still more objectionable. It is only just to add that many patent medicines serve a very useful purpose and their sale and their advertising constitute perfectly legitimate business. A very moderate and reasonable Bill providing for Government inspection and the publication of patent medicine *formulae* was introduced in the Dominion Parliament last session, but was with a number of other measures withdrawn in order to shorten the session and facilitate Sir Wilfrid's departure for England. The bill was not perfect, perhaps did not go far enough, but it was a step in the right direction, and its operation would have exterminated a lot of quack medicine frauds. It is to be hoped that the Bill, which is a government measure, will be re-introduced next session.

Prominent Topics

Money and Securities in New York.

The general price tendency of the week ending Saturday last was one of recovery from previous depressed levels—though there were few actual developments affecting stock market or general financial conditions, aside from more complete information as to Secretary Cortelyou's relief plans, and the announcement that measures had been taken by the strongest banking interests of Wall Street to assure the success of the new offer of \$40,000,000 4½ p.c. New York city bonds. The former failure of the city to dispose of its obligations was doubtless a decided factor in depressing bonds in general. The Street now looks for some improvement in the bond market, especially as the demand for money for trade purposes is showing some relaxation.

Time money rates declined during last week as much as 1 per cent., doubtless under the influence of Secretary Cortelyou's plans. The drain upon New York from interior cities is now well under way as has been indicated by transfers of money through the sub-Treasury. Canada took in the neighbourhood of \$1,000,000 in gold from New York during the week, further calls being anticipated from the same direction. However, as New York is certain to receive a fair proportion of the Treasury relief funds, and as stock market liquidation has strengthened the banking position, compared with that of last year, the monetary outlook for the crop-moving period is not considered alarming.

The bank statement on Saturday showed a decrease of \$1,219,950 in surplus reserves, practically all accounted for by loss of specie. The surplus of \$8,756,450 was however over three times as great as that of the corresponding week of 1906.

The stock market, after its holiday interval, showed a considerably improved demand on Tuesday—partly due to investment buying, but more largely to professional trading. Still, there was evidence of growing confidence as to the general outlook, especially in the facility with which heavy month-end requirements were met.

Wednesday brought price-reaction in the stock market, due largely to the over sanguine bull movement which came with previous day's recoveries. There were some depressing factors also, one being uncertainty in the copper market, following Tuesday's cut; another, the reported embarrassment of the Union Iron & Steel Company.

The money market continued to show easing conditions. Sterling exchange fell further. Time loans were easy and dull: 60 days, 5 to 5½ p.c.; 90 days, 5¾ to 6 p.c.; six months, 6 p.c. Prime mercantile paper, 6 to 6½ p.c. A ruling call rate of 3 p.c. was in significant contrast to the 40 p.c. record of the same day, last year.

The Money Situation.

The action of United States Secretary of the Treasury Cortelyou, in coming to the assistance of the banks in connection with the crop movement, has had a beneficial effect in the United States. Not only so, but it has created a some-