

tions in New York (all members) reported increase of \$3,245,700 in their surplus, bringing it up to \$52,229,900, a new high record for this movement. The gain was effected as a result of cash increase of \$5,034,000 and loan contraction of \$4,093,000. The banks, taken by themselves, had a loan contraction of \$7,813,000 and cash gain of \$7,630,000—the net result being increase of \$7,100,000 in surplus. However, the great ease in money at New York is causing Europe to look there for gold. On Monday and Tuesday this week \$10,500,000 were taken for export bringing the total for the present movement to \$30,000,000.

FAVORABLE FACTORS.

Two favorable factors have contributed to give the securities market in New York an undertone of strength. The first is the crop outlook, and the second the Supreme Court's decision in the Shreveport rate case. The Government's June estimate places the indicated total yield of spring and winter wheat in the United States at 900,000,000 bushels, as against a previous maximum of 763,000,000 bushels. The gain is principally in winter wheat, but spring wheat accounts for an increase of 23,000,000 bushels as compared with last year's actual yield. This wheat outlook is most important in its bearing on the stock and money markets. Hay is also understood to be a bumper crop, and a good feature of the hay and winter wheat crops is that they are already made. Sooner or later, it would seem that there must be a revival of trade in the United States, as a direct result of this crop outlook—it is said that a noticeable increase occurred in iron and steel orders during the first week of June—and Canada is very likely to benefit when the revival materializes.

A SATISFACTORY DECISION.

The court decision in the Shreveport case serves to make it clear that the Interstate Commerce Commission has power to override the various state commissions in the matter of interstate rates, and also intra-state rates when the states seek to put into effect rates which are out of harmony with the general system. The Texas railroad commission had ordered the establishing of certain rates, while the Interstate Commerce Commission held that higher rates should be fixed. The Supreme Court decided in favor of the Interstate Commerce Commission, and the decision is regarded by railways as highly satisfactory.

The records of the Montreal Fire Commissioner's office show an increased number of fires for May as compared with the same month last year. In May, 1913, there were 218 fires and 20 inquiries were held, while during the past month there were 223 fires and 27 inquiries. All the fires were investigated but the causes were so apparent in the majority of cases that no inquiry was deemed necessary.

ASPECTS OF THE OUTLOOK.

(Continued from front page.)

on the Canadian Pacific's note issue, at the same time the increase in deposits is undoubtedly due in part at least to healthier conditions in the Dominion by which a certain amount of real money is being accumulated instead of fresh stock certificates or real estate agreements. It has been pointed out that as the last great upward swing in the banks' deposits from 1908 to 1912 was mainly due to the sale of securities abroad that it is not to be expected that there will be the same marked advance in deposits in the immediate future, owing to the fact that London is not now inclined to take our securities so freely as heretofore. However, even if some of our young financiers in a hurry find it "hard sledding" when they go to London in search of funds, there will always be a steady stream of capital for our high-class loans and undertakings with favorable prospects. This stream of capital, combined with home savings, and the contraction of loans as a result of the trade depression, will probably result in a large growth in the banks' deposits in the comparatively near future, which in time will become available for the next forward movement.

On the whole it would appear that while much depends upon the crop developments of the next few months, there is good ground for an attitude of conservative optimism at the present time. The lessons learned in many cases by harsh experience are now being profited by, and in this way will help to bring about a more cheerful condition of affairs. With regard to the pronounced wave of pessimism on the local Stock Exchanges this week, too much importance can easily be attached to it. Stock Exchange sentiment notoriously runs to extremes.

FILM DEVELOPING HAZARD.

In an interesting review of a recent fire, Superintendent F. J. T. Stewart of the New York Board of Fire Underwriters submits the following conclusions:

"The process of developing and printing nitro-cellulose motion picture films is unusually hazardous and should be isolated in a separate building. If permitted in a building with other occupancies the construction should be fireproof, with standard protection at floor openings. The amount of film in process should be limited to a small quantity in any one room by subdividing with numerous fire resisting partitions and fire doors. The building should be equipped throughout with automatic sprinklers. The use of portable electric lamps, also swinging drops, in occupancies of this character are dangerous and lights in rooms where films are stored or handled should be protected by wire guards or vapor-proof globes."

Bank of England rate was continued yesterday at 3 p.c.