many experts believe that it will be the policy of the Bank to hold its official quotation at a comparatively high level. The Bank of France and the Bank of Germany also quote 5 p.c.; no reliable figures are available as to the open market rates at Paris and Berlin.

New York also has very easy money. Call loans are from 1⅞ to 2½ p.c., most of the business being at the round 2 p.c. Time money has been dull, with plenty offering but slack demand. Sixty days, 2¾ p.c.; 90 days, 3 p.c.; six months, 3½ p.c. The clearing house banks in New York reported another substantial increase of excess reserve. Taking all members the loans increased $14,800,000, the aggregate reserve increased $14,000,000, and the excess reserve increased $7,000,000. There was an increase of $4,000,000 in the cash holdings of the Federal Reserve Banks of New York—this occurring as a result of increase of deposits. The other large federal reserve banks do not show important changes. Rates of discount quoted at the reserve centres are practically the same as a week ago—for thirty day paper all quote 4½ p.c., excepting Chicago, Atlanta and San Francisco, which quote 4.

PASSING OF UNITED STATES STEEL DIVIDEND.

One of the important developments of the week was the omission of the dividend on United States Steel common stock. The last dividends paid at the end of December, was at the rate of 2 p.c. per annum, as against the 5 p.c. previously paid. The dividend due March 31st, is to be omitted altogether. The outstanding reason for the action is of course the great fall in earnings—the earnings for the December quarter were not quite $11,000,000, less than half the results as shown for the December quarter, 1913. The grain markets at Chicago have been strong and excited as a result of the German Government's action in seizing all the wheat and other grains in the German Empire. This is taken as a manifestation of uneasiness as regards food supplies. Early in the week No. 1 Northern at our lake ports was quoted at above $1.53 a bushel. This excitement in the wheat market will tend to increase the interest taken in the acreage seeded in Western Canada this spring.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

A special meeting of the C. F. U. A. was held in Toronto this week. Several minor matters of interest to the Association were discussed and disposed of after receiving the necessary attention.

The issue of the 9th instant of the illustrated London weekly journal, *Canada*, contains as a supplement an excellent colour portrait of Mr. L. H. Senior, general manager for the United Kingdom of the Confederation Life Association. The Company itself is the subject of an appreciative article.

THE WAR'S FINANCIAL RESULTS.

(*Continued from front page.*)

it can be taken for granted that, while possibly at first small, there will be right from the commencement at the close of the war, a margin of new savings available for investment abroad. And there is good reason to hope that a larger proportion than formerly of those new British savings will find their way into investments within the British Empire.

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On the whole, there is reason for confidence regarding the supply of new capital in Canada following the close of the war, provided that the strictest care is at present exercised in regard to new borrowings and in the accumulation of our own savings. If the rate of interest for capital becomes very high, then this policy will have the effect of neutralising it; if on the other hand it is low, we shall be the better able to pursue a policy of intelligent development. One probability suggested is that the high or low extreme, whichever happens, is not likely to be long in force and that as the process of recuperation gets under way, the demand for and supply of capital will come to an equilibrium at near their former level. In that case, the present policy of caution in borrowing and assiduity in saving will be of marked advantage in the future.

CONTRACTION IN THE BANKS' CIRCULATION.

The circulation of the banks at December 31, 1914 was $105,969,755, against $108,646,425 at December 31, 1913. Last month's contraction was not so severe as that of December, 1913, being under nine millions compared with practically eleven millions twelve months previously. But after reaching the record total of $123,744,682 at October 31, the circulation contracted sharply in November to $114,767,226, against $119,497,321 on November 30, 1913 and again in December to the figures mentioned.

In view of the contraction in business it is to be expected that the banks' circulation will now continue to run lower than a year ago. At the end of December, six of the banks had circulation outstanding in excess of their paid-up capital, comparing with the same number at December 31, 1913, and eleven at December 31, 1912. With one exception these six banks had made deposits in the Central Gold Reserve, the exception being the Provinciale. The banks having excess circulation outstanding at December 31, are as follows:—

	Excess Circulation.	Deposit in Central Gold Reserve.
Nova Scotia	$ 648,813	$1,500,000
Nationale	1,174,740	1,400,000
Provinciale	156,878	....
Union	676,534	1,100,000
Royal	1,085,768	2,500,000
Standard	245,988	400,000

A total of more than $6,300,000 will be distributed this year by the Metropolitan Life to its industrial policyholders in the shape of premium and mortuary bonuses. Individual holders will receive credits for premiums ranging from five to fifty-two weeks, according to the decision made by the directors of the company.