

Also the whole of our banks have been drawing on London freely, and they hold London bills in their portfolios which cannot at present be realized. These holdings will be made immediately available by the action of the Bank of England. The exchange situation in Canada should be immediately improved and the power of the Canadian banks to finance the crop movement and other business should be increased. There have been complaints from some points in the Western provinces to the effect that the banks are not taking care of business as it should be cared for; but the critics apparently are expecting altogether too much—they expect that the credit machinery of the country should work exactly as in other years regardless of the confusion and extraordinary difficulties created by the war.

HARVEST SITUATION.

The situation in the Western harvest fields has been fairly satisfactory during the week. It would have been better if the rainfall had been less, but there is still plenty of time to get the crop threshed and a goodly amount of fall plowing done. It will be most important for Canada to have a record breaking area seeded to wheat next spring—as the indications are that wheat prices will be abnormally high all next year even if the war does come to an end after a few more months of fighting.

No change has occurred in money rates in the Dominion. Call loans are quoted at 6 to 6½ p.c.; and commercial paper rules at 6 to 7 p.c. as heretofore.

EUROPEAN MONEY.

Call money in London ranged between 2 and 3 p.c. For bills the rates were from 4¼ to 4¾ p.c. according to quality. Bank rate is held at 5 p.c. Bank of France rate is 5 and the market rate for bills in France is given as 4 p.c. It is understood that with the removal of the French Government to Bordeaux the main operations of the big French credit banks would cease to be at Paris for the time being. The Imperial Bank of Germany quotes 6 and the private rate at Berlin is given as 6.

NEW YORK MONEY.

Call loans at New York are unchanged at from 6 to 8 p.c. Time money is not at all active. Very little business is done, the rate being around 8 p.c.

The position of the clearing house banks in New York underwent deterioration according to the Saturday statement. Taking banks and trust companies, the loans increased \$9,300,000, the cash decreased \$3,070,000, and the note circulation increased \$11,200,000. The net result was to make the deficit \$37,120,000, as against the deficit of \$33,857,000 reported in the preceding week.

WITHDRAWS FROM UNLICENSED COMPANIES.

We understand that the insurance of the Ogilvie Flour Milling Company, which heretofore has been carried by underground companies, through a New York broker, was placed this week in tariff companies, by a Montreal broker. This may be an indication that other Canadian firms will follow this wise policy, and withdraw their business from any and every institution not licensed to do business in Canada.

SAFETY FIRST.

(Continued from front page.)

not to make the banks secure, but to finance trade and restore the foreign exchanges. In our humble judgment, the best reason for a very questionable step was the one which he has disavowed. If our great banks got into real difficulties by overlending or by failing to maintain a proper proportion of liquid assets, the slight and fictitious boom in trade which a free and easy finance might produce would be dearly bought by a later catastrophe of credit. The banks cannot prevent the restriction of consumption and the cessation of orders. They cannot discount trade bills which are not coming forward. They cannot open the Stock Exchanges of the world, or put an end to an almost universal moratorium. Their first duty is the duty of self-preservation, their secondary duties are those which the Chancellor of the Exchequer, with an impatience we can excuse but cannot support, has chosen to put in the forefront."

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This is the well-considered opinion, couched in studiously moderate language, of probably the most acute and detached critic in financial London. In practice, the banks, in Canada as in Great Britain, are able reasonably to finance trade and industry while at the same time securing their own stability. But it is foolish to suppose that they ought to be able to undertake new commitments now in the same way as in times of peace and a clear outlook, and it would be suicidal to insist upon their taking risks which would in the slightest degree affect their stability. "Safety first" is not a selfish motto for the banks; it is the only policy which will save the whole credit structure of the country from catastrophe. The evils of closed factories and slack trade are great enough. To an extent they cannot be avoided; they are part of the burden laid upon the world by the war. But in any case, their mitigation cannot be pursued through means which would impair the general structure of credit. To do this would be merely to court disaster.

"A SPECIES OF GAMBLING."

Sometimes it has been said that life insurance is a species of gambling, but the only foundation for the statement is that the fundamental basis is the doctrine of chances. Insurance on the contrary affords a means for minimizing and reducing the gamble of life. When a man owns a house, then every day during which he leaves it uninsured he is gambling in the hope that no fire will take place; when a man marries and incurs obligations toward wife and children he is gambling as regards their future if he does not minimize their sufferings in event of his own death. There is no gambling when the chances are all brought together, and the scientific law is allowed to work whereby the risk is spread over all; but there is a terrific gamble when an individual takes such chances upon himself and does not arrange for the sharing of them by others.—*Henry Moir, Actuary Home Life, N.Y.*