Canada's total borrowing in London in 1913 exceeded those of any recent years. When it is remembered that London has taken this great volume of our securities under protest, so to speak, it does not appear likely that we can count very confidently upon borrowing so extensively in the overseas market in 1914. Our financiers have recognized that we shall have to get along quite largely on our own resources; and it is probable that all necessary arrangements for doing so have been made.

NEW YORK DEVELOPMENTS.

Call loans in New York ranged from 3 to 6 p.c., most of the business being done at around 4. Time loans were weaker: sixty days, 4¾ p.c.; ninety days, 4¾ p.c.; six months, 4½ to 4¾. According to the Saturday bank statement, the clearing house institutions reported heavy decrease in surplus. In the case of banks and trust companies loans increased $11,719,000; and cash decreased $6,900,000. The net result was to bring the surplus reserve down from $17,439,000 to $9,372,000—a decrease of $8,000,000. The banks alone expanded their loans $11,066,000 and their cash holdings fill $5,400,000. In this case the decrease in surplus amounted to $5,000,000. During the week, the rise in Wall Street prices was checked. The market, however, retains much of last week's cheerfulness.

A CHANGE IN WASHINGTON'S ATTITUDE.

The impression seems to be gaining that the administration at Washington will henceforth bestir itself actively in the effort to restore confidence among the investment classes. And there is a strong belief that the railways will be allowed to increase their freight rates to the extent mentioned in their application to the Interstate Commerce Commission. It would not be surprising if Wall Street prices rose vigorously as soon as it becomes certain that the increased rates can be put in force. But it would not be wise to take such a development as a sign that the troubles of the United States railways are definitely over. The employees are reasonably certain to present fresh demands for increased pay as soon as the higher freight rates begin to affect the railway reports favorably. And it is by no means certain that the Interstate Commerce Commission will give favorable consideration to further requests from the railways for higher rates. The position of the railways will perhaps never be comfortable until they are able to withstand the labor unions. If the public understand that further large increase of railway wages will result in further increase of freight rates, it is possible that they may cooperate more heartily with the railway officials in resisting unreasonable demands from their men. But judging by present indications it would seem that some time must elapse before the public's education on this subject is complete.

INTEREST EARNINGS OF CANADIAN LIFE COMPANIES.

Apropos of the statistics recently published by THE CHRONICLE regarding the interest earnings of the life companies transacting business in Canada, the London *Insurance Observer* remarks that these figures go far to explain why Canadian offices are so prominent in Great Britain in the annuity field. "Temporarily," says the *Observer*, "they occupy a position of considerable advantage, and can afford to undersell most of their British rivals, owing to the higher rates of interest they are able to earn on the funds in their possession." Our contemporary seems to be under the impression that the high interest earnings of the Canadian companies are only a temporary phenomenon, and that they will be succeeded, sooner or later, by a period of decreased earning power. Obviously these rates cannot go on rising *ad infinitum*, but in our view there is good reason to believ that for many years to come, the interest earnings of the Canadian life companies will be maintained at an exceedingly high level. It is universally recognised that we have only now entered upon a period when capital is likely to be relatively dear. Prospective demands for capital for a number of years to come will readily absorb all that is available, so that. generally speaking for a prolonged period money rates are likely to be higher than in recent years. Apart from this general movement towards higher rates of interest no one who is at all familiar with Canadian conditions would suggest that there is likely to be any marked decline in interest rates in Canada for many years to come. For the next half-century or so, there will be an active demand for funds in Canada for new developments, apart from extensions of existing undertakings, which will constitute a sufficient drain of capital to keep up the rates for it in the Dominion. Those who are alarmed by possibilities of a fall in the interest rate in Canada are giving themselves unnecessary trouble.

Smart-Woods, Ltd., of Montreal, has authorised an issue of $2,500,000 6 per cent. bonds of which $1,500,000 will be presently issued. The Smart-Woods Company has recently acquired the outstanding common stock of the Empire Cotton Company, of Welland, Ontario, in which it previously held the controlling interest, and the latter company will now be operated as the cotton department. The Smart-Woods Company will take 75 per cent. of the total production of the plant. The proceeds of the bond issue, it is stated, will be used mainly to provide ample working capital to take care not only of the company's new cotton department but meet the growing requirements of the Smart-Woods business throughout Canada. In addition it will provide for the payment of extensions and enlargements recently carried out, which include the new factory building in Winnipeg, erected at a cost, including land, of about $250,000, and an extension to the Montreal plant which cost $50,000.