

the proposed precedent is not a good one. The next thing we shall be having somebody propose to annex St Antoine Division to Westmount. The sooner all municipal boundaries on the Island of Montreal are abolished the better, but fragmentary annexations will not hasten the process.

**New York
Market
Conditions.**

By the middle of last week there had occurred a perceptible oozing away of the more cheerful feeling that characterized the close of the previous week's stock market. Japanese war talk, the failure of Milliken Bros. the large steel manufacturers, the references in the President's Jamestown speech to workmen's compensation and a national inheritance tax, the proceedings instituted by the Government against the Reading and other anthracite roads—all these influences were mentioned as offsetting hopeful grain reports and other factors. It seems likely, however, that the course of securities was dictated chiefly by the whims of professional traders. There was, however, a real significance to be read in the Milliken failure—a warning that labour costs and material costs are rising dangerously near the line of profit.

The Saturday bank statement, while not a good one, was perhaps better than looked for, owing to the decrease in liabilities in the form of deposits. However, the \$4,500,000 of surplus was below the figures for any corresponding week in nearly forty years. On Monday the market dropped back into the condition of lethargy which had been thrown off for a little by week-end activities. Short interests and special conditions brought slow rises here and there during the day, but in general the market proved indifferent to outside news and influences. Foreign exchange still continued to advance, and touched the highest level of the year. Continued indifference—practically stagnation—was the feature of Tuesday's market. Some slight strength in the morning was followed by an afternoon sagging, Union Pacific and Reading leading in the advance, and the latter in the subsequent decline.

Stock speculation was practically at a standstill on Wednesday—but little success attending professional efforts based on rumours regarding Reading dividend. On the announcement from Philadelphia that the directors had adjourned without any action being taken, Reading advanced slightly, the rest of the list remaining about stationary. Gold amounting to \$2,500,000 was announced for yesterday's shipment to Europe, bringing up the total on the present movement to \$15,000,000. Paris exchange showed some slight effect, but not sufficient to preclude the possibility of continued drain. Call loans for Wednesday were higher, the ruling rate being $2\frac{3}{4}$ p.c., with $3\frac{1}{2}$ p.c. as highest. Time loans rose also.

**British and
European Markets.**

London, Paris and Berlin alike shared in the stock market dullness of last week. The Milliken failure in New York, the alleged Japanese-American strain, and gloomy news of Russian affairs were factors contributing to the dismal tone that prevailed. The Statist of London and other conservative authorities continued to advise investment buying, but the bargain hunters in most cases apparently held off for yet lower prices. Still, moderate buying by genuine investors characterized the week-end London market.

Extreme money stringency is looked for in connection with the end of Berlin's half-year. Egypt has been having trouble through excessive land speculation. The failure of Brazil's government coffee-corner has international influence. These and other recent developments seem to be strengthening the determination of the Bank of France to build up its gold reserve to last year's level—which may mean continued drain upon America's gold supply.

Monday's stock prices in London started weak. Consols and kindred securities declined owing to the prospects of dearer money and the possible effect of Russian political news upon continental bourses. However, the sentiment became firmer, influenced by news of steadier prices than expected in Paris, and by the Bank of England taking the \$2,500,000 in gold available in the open market. Americans were generally weak owing to unfavorable New York bank statement, though some rally was effected by short coverings.

Money in London was in decreased supply and strong demand on Tuesday. Discounts were firm although the New York exchange indicated possible gold shipments to London in the near future. Gilt-edged securities weakened on the monetary situation, and the prospective Transvaal loan, so that consols dropped a fraction lower than the recent low records for upwards of sixty years. Various securities showed some advance, however—home rails responding to some investment demand, and Americans rising on improved crop news. Canadian Pacific, Union Pacific and Reading received the most attention.

Discounts were a shade easier in London on Wednesday. Stock exchange trading remained stagnant with some further sagging in British securities. Consols were again a fraction lower closing at 83 3-16 for money, and 83 5-16 for account. Foreigners generally, with the exception of Russians, were firm; and Americans, while dull at the opening, hardened gradually during the morning, depression following, however, in the afternoon.

Money.

The money situation remains practically unchanged. This is a time of expansion, of enormous growth, in Canada and a great deal of money is required for commercial purposes, railway purposes, etc. Therefore, it naturally follows that there is little money left to look after investment securities or for stock ex-