

Dominion. No man was ever the subject of more critical discussion. To say that he was indifferent to this, would not be correct, he fairly enjoyed it. The files of both Hansard and La Patrie contain abundant testimony to his remarkable talent for disposing of a long attack with a short joke and a laugh.

We deeply regret to have to record Mr. Tarte's death and we extend to his family our sincere sympathy.

The Financial and General Outlook.

If the statements recently issued by the leading banks of Canada be an indicator of the financial condition of the country, it is unquestionably sound. The reports issued by the various banks, including those of the Bank of Montreal, the Canadian Bank of Commerce and the Merchants Bank of Canada, all point to absolutely sound and profitable conditions. The speeches made by the presidents and managers indicate that the money situation and general conditions are on a solid basis, and that there is a gradual improvement all along the line. These are facts which under existing world-wide conditions should be borne in mind. We do not mean to imply that there should be any inflation, for it is undoubtedly necessary to continue on gradually progressive cautious lines. On the other hand, we think, there is altogether too much pessimistic talk, which unfortunately is liable to retard progress, and indeed, to curtail matters to such an unnecessary extent, that the pendulum may swing too far in the wrong direction.

No country, and particularly one with such prospects of growth and prosperity as Canada, has any use for pessimists. Conservatism and pluck should be judiciously combined, and while it is essentially necessary that our financial institutions should hold strong reserves, yet it is also a time, when it is necessary to be as liberal as possible within the bounds of safety. After the turn of the year, it is expected that money will become somewhat easier.

Dangerous Rumours.

What a pity it is that rumours should be circulated by thoughtless people, who do not for a moment consider their gravity. The currency of these rumours is liable to do very great injustice. We have heard rumours about some of our strongest business houses in Montreal, every one of which is absolutely false. They are, however, liable to cause a little annoyance in several directions. These are times when it is particularly a crime to circulate rumours of this character. People should learn to be cautious and public spirited, to consider what they are doing and not be desirous of gaining notoriety by such means.

The Financial Situation in the United States.

As far as the United States is concerned, there is very little change in the situation. There cannot be much change in view of its financial system, and the general stringency in the circulation of money, until the clearing house certificates and Treasury certificates are disposed of. The pendulum in the United States has we believe already swung a little too much the wrong way, and therefore, it

will take some time to regain what has been lost from a commercial and industrial standpoint.

In the face of this it is predicted, by many who ought to be fairly good judges of the situation, that money in New York, is likely to be rather plentiful next March or April. Nevertheless it will take a considerable period before conditions become normal.

How it Fares with New York.

The stock market reaction of the week ending Saturday last may be taken as indicating that previous advances had perhaps run beyond an accurate expression of the prospects for immediate improvement in general conditions. The "running beyond" was doubtless due largely to the needs of uncovered short interests. As to the consequent reaction, this was influenced by decided stiffening in the call money market and the delay in the expected easing-up of the general monetary tightness. In view of year-end requirements this tardiness necessities most careful banking measures, involving a contraction of loans that has borne somewhat heavily upon the stock market.

Saturday's bank statement, however, was evidence that there is steady, if gradual, improvement taking place in the general monetary situation. The clearing-house banks reduced the deficit in their reserves by over six millions, leaving the amount still necessary to bring the reserves up to the legal requirements, at forty millions. The results of the call of the comptroller of the currency are commented on elsewhere in this issue.

On Monday \$5,000,000 of British gold was added to New York bank reserves, and \$2,500,000 more was purchased in the London market. On Tuesday there was an encouraging fall in the currency premium, from 1 p.c. to $\frac{3}{8}$ p.c. Foreign exchange was decidedly stronger; indications were considered as pointing to a slackening in gold imports. Among the day's interesting news was that of Governor Hughes' committee's report on the State banks and trust companies.

Discussions as to railway company dividends were rife on Wednesday. The stock market continued the restricted course of preceding days. There was some heaviness in the early trading followed by a general rally in the afternoon, and rather more activity toward the close—the whole movement being largely professional. The currency premium again held at over 1 p.c. yesterday, with call money at 10 p.c. More gold was engaged in Europe, making a total of \$106,550,000.

Caution still continues to be the dominating note in Lombard street, though there is hopefulness in some quarters that the period of acute monetary stringency is rapidly approaching termination. The Bank of England statements show continued gains in strength. The stock market was featureless during the week ending Saturday last, the settlement causing less trouble than was anticipated.

Money was in fair demand and supply on Monday and Tuesday of this week, with discounts firmer on the United States securing £500,000 gold in the open market and making some further en-