it can be only by maintaining New York rates at a level attractive to foreign funds.

For four weeks now the Bank of England has reported falling gold reserves, the loss shown by yesterday's statement making the total decline about $25,000,000. And for no less than seven weeks the Bank of France has reported similar decreases, combining to make a loss of about $15,000,000. In corresponding periods last year the Bank of England lost only some $2,000,000 gold, while the Bank of France increased its holdings by over $3,000,000. Of course, it is to be borne in mind that, despite recent drains, most of the European centres are still much stronger in funds than a year ago. While the German Imperial Bank holds $80,000,000 less reserve than a year ago the Russian Imperial Bank has $44,000,000 more. And the five state banks of France, England, Italy, Austria, and the Netherlands hold altogether $165,000,000 more cash in their reserves than a year ago—each of them showing an increase—whereas their combined outstanding loans are still $27,000,000 less than in 1908—an interesting indication of the circumstance that both stock market speculation and trade activity have been more in evidence as yet in America than in Europe.

There is now manifest fear in some European quarters of a continuance of recent reductions in reserve ratios, both on account of speculative activity at home and abroad and through actual withdrawals of gold from Europe. Hence the "starter" made by the Bank of Germany in raising its rate to 4 per cent. towards the close of September—and the Bank of England advance to 3 per cent. yesterday.

C.P.R. TO ISSUE $30,000,000 NEW STOCK AT A PREMIUM.

The announcement of a new $30,000,000 issue of Canadian Pacific common stock at 125, was the outstanding matter of interest at the annual meeting of the company held in Montreal on Wednesday. In announcing the directors' decision, Sir Thomas Shaughnessy recalled the fact that the shareholders a year ago had provided for an increase of the ordinary capital of the company from $150,000,000 to $200,000,000,—the directors being clothed with authority to issue the additional $50,000,000 in such amounts and on such terms as might be advisable. It would now seem as though the same conditions that are bringing enhanced revenue to the company, also compel constant and important expenditures for locomotives and cars, for the acquisition or enlargement of terminals, and for desirable additions and improvements of almost every description throughout the system.

Anticipating these future general requirements of the company, the directors evidently think it well to make provision for the necessary funds by offering to the holders of the ordinary capital stock a portion of the unissued shares.

It is proposed that the issue shall be in the proportion of 20 per cent. of the shares registered in the name of each individual holder in the books of the company in London, New York and Montreal, on November 15, proximo, and the issue price will be 125, or at a premium of 25 per cent. over the face value of the shares.

The usual practice of having payments made in instalments at intervals of about sixty days will be followed, and interest at the rate of 6 per cent. per annum will be allowed on such payments.

Another announcement of interest made at the meeting was that cash in hand resulting from the sale of lands and townsites has now reached the considerable sum of $14,000,000, and that the deferred payments exceed $18,000,000 in amount.

There is no doubt that British financial critics will view with approval the C.P.R.'s issuing its new stock at a premium instead of at par—the company's former procedure in this regard having been looked upon in some quarters as, perhaps, almost "too much of a good thing."

Following the meeting of shareholders on Wednesday, a meeting of the directorate was held when the following officers were re-elected:

Sir W. C. Van Horne, chairman; Sir Thomas Shaughnessy, president; Mr. D. McNicoll, vice-president. The members of the executive committee were then chosen as follows: Mr. R. B. Angus, Mr. D. McNicoll, Mr. E. B. Osler, M.P., Sir Thomas Shaughnessy, Lord Strathcona, Sir W. C. Van Horne.

TRADE PREFERENCE AFFECTING THE UNITED STATES.

The United States Consul-general for New Zealand is convinced that preferential trade within the Empire is something with which his own country has seriously to reckon. In support of his views he has furnished Washington with the following statistics covering the foreign trade of New Zealand for the first three months of 1909.

The imports into New Zealand, which had been increasing in value at the rate of $5,000,000 per year from 1904 to 1908, have fallen off during the first quarter of 1909 $3,241,659, as compared with the corresponding quarter of 1908. The imports from the leading countries during the two comparative quarters were as follows:

Country.	1908.	1909.
United Kingdom	$15,077,022	$12,784,750
British Possessions	4,982,234	5,361,649
United States	2,571,645	1,340,305
Germany	507,831	444,447
All other countries	614,869	610,791
Total imports	$23,782,601	$20,541,942