Prominent Topics

New York Situation is Complicated.

During the week ending Saturday last, the New York banks transferred $1,000,000 to western cities, thus fore-running the regular harvest time flow of funds to the interior. Coupled with continued general stringency, this circumstance resulted in higher rates for money, 6½ p.c. being asked for accommodations over the year's end; so that the prospects are for a period of dearer money in the intervening period. The weekly bank statement was about as expected, showing the slight increase of $287,350 in surplus reserves which now total $7,760,550—a very small amount for the season. Foreign exchange rates were looked upon as indicating no resumption of gold exports. Imminent crop moving demands are, of course, not the only tightening factor to which the money market is subjected—although improved crop reports make it likely that $50,000,000 will be needed for that purpose—but it brings a serious strain under existing currency conditions, in spite of anything that the Secretary of the Treasury may do to relieve matters. Another $30,000,000 has been or will be required within the next few days for the three purposes of meeting obligations in such transactions as the Great Northern stock subscriptions and the Union Pacific and Southern Pacific security issues. And as this has had to be met without general public support, the strain has been intense upon the resources of the "big ones," into whose hands Wall Street securities have been more or less concentrated during recent months. Naturally enough, liquidation on the stock market by leading interests was the pronounced feature of last week, and accounted for the striking price declines. On previous occasions of marked decline, there followed inside support, but just now some of the great financial interests have been compelled to act just as weaker holders had previously acted, on account of their urgent need for money. The downward tendency was naturally accentuated by Governmental and public attitude towards corporations, and by marked weakness in foreign markets.

Monday brought no check to last week's stock market liquidation. The most marked declines were in Hill and Harriman stocks, and by late afternoon the market list as a whole was close to the panic level of March last. Some rally took place at the close from short coverings. In addition to general money market influences there were such disturbing factors as rumours ot trouble in Brazil, the telegraphers' strike, and the marked weakness of Americans in London. The bond market was weak in sympathy with stocks.

Tuesday's market tone showed decided improvement, though the trading kept within narrow limits. Liquidation appeared to have run its course and London quotations aided the upward movement. Profit-taking brought a slight decline, but the day's close showed substantial recoveries as the rule.

Another flood of liquidation orders forced Wednesday's prices down to such an extent that the level recorded at the close was lower, in many instances, than for six years. Almost one million shares were traded in, the last hour being especially active, with a slight rally from short coverings. The bond market was easy, in sympathy with the stock movement. Aside from the general cause noted in connection with Monday's decline, Wednesday's market seemed affected by rumours of a receivership for a large New England manufacturing concern, and by the delay of the Treasury Department to show expected activity in preparing for relieving the money market. The ruling rate for call loans was 3½ p.c., running up to 4½ p.c.

London Market Conditions.

One of the worst in the memory of the present generation of traders—so a London cablegram characterized the past week on the London Stock Exchange. A steady stream of selling orders, stimulated in part by New York happenings, brought marked declines. The limited scope of the market's operations was such that selling a few thousand pounds worth of consols had more price-influence then several times that amount would have had ordinarily. On Saturday consols made the new low record of 81, though prices became steadier during the day. Reports from Russia, India and Morocco proved disturbing during the week, as did also rumours of financial difficulties in Berlin.

Canadian issues were prominent towards the close of the week. The passing of the dividend on the third preference shares of the Grand Trunk along with pessimistic crop reports started a selling movement that continued during Monday and affected other stocks—notably Canadian Pacific, in spite of increased traffic returns.

Monday found money rates higher and the stock market depressed, operators looking forward with some anxiety to the week's settlement. Consols at the opening fell further to 80¾, but later improved on Government purchases. Money rates continued higher on Monday but the stock exchange tone was more cheerful as it seemed apparent that settlement would be arranged without serious trouble. Americans were irregular. Of the £450,000 of gold from South Africa, $250,000 was secured by the Bank of England. Consols on Wednesday closed at 81 13-16. Presumably to prevent recurrence of last autumn's gold movement, the Bank of England rate is this week advanced to 4½ p.c.

All Red Route.

The Ottawa Free Press, the local organ of the Dominion Government, says that a transportation company has offered to supply the Atlantic link of the All Red Route for a subsidy of $2,500,000 a year, and that Sir Wilfrid Laurier has offered to the Imperial Government that Canada shall bear one-half the cost, leaving the Australian and New Zealand Governments to arrange with the British Government the question of the Pacific service. As the two offers stand, the question will naturally occur to most people: "What is there, more red," about this steamship service, between England and Canada, than there is about the Canadian Pacific, or the Allan Line? If the All Red Route does not connect Great Britain with her eastern possessions, there is no excuse either for the name or for an exceptional subsidy from Canada. We imagine that Sir Wilfrid's offer is conditional upon the completion of the scheme.