

Deferred payments on land and town site sales account for \$16,353,673.

Over and above the total of \$450,318,424, the company owns 8,437,504 acres of land in Manitoba, Saskatchewan and Alberta (average sales past year \$13.52 per acre) and 4,503,505 acres in British Columbia.

Liabilities are given as totalling \$424,153,504, the assets thus showing a surplus of \$35,164,830 without reference to above-mentioned land holdings. The capitalization shown by the balance sheet is as follows:

Common Capital Stock .....	\$150,000,000
Four per cent. preference stock .....	52,696,665
Four per cent. consolidated debenture stock .....	128,930,132
Mortgage bonds:—	
First Mortgage, 5 per cent. \$34,998,633	
Canada Central Railway, 6 per cent. ....	973,333
Algoma Branch, 1st mortgage 3,650,000	
	39,621,966
<b>Total</b>	<b>\$371,248,763</b>

## General Financial Situation.

### AUTUMNAL MONETARY OUTLOOK.

**European centres still undisturbed—Cash drain on New York—Possibility of moderate rise in Canadian Rates—Record Railroad Earnings.**

The end of this week sees the 2 1-2 per cent. rate of the Bank of England still in evidence, and not much talk is heard as to a move in either direction. On the one hand the Bank has to face the seasonal autumnal drain of specie into the interior and into Scotland, and it has to take account of a moderately active movement to issue new securities on the part of corporations and governments both in the British Isles and abroad. These issues have a certain tendency to weaken the Bank's position, and the foreign or colonial issues often exert a considerable influence in the direction of turning the exchanges against London. But, on the other hand, the Bank's reserve is reasonably strong, the other great financial markets are not competing very vigorously for the available gold supply, and no great loan or financial operation of overwhelming importance, the provision for which might threaten to absorb the spare cash of the market, is in sight.

Rates in the London market are practically unchanged. Call money, 1-2 to 3-4; short bills 1 3-8 and three months bills, 1 1-2. The Paris market is slightly higher at 1 5-16, while the Berlin market rate is a shade higher at 2 5/8. Neither the Bank of France nor the Bank of Germany altered their official discount rates, which therefore remain, the former at 3 per cent., the latter at 3 1-2.

### Drain to Interior on New York's Cash.

The steady drain of cash to the interior is bringing the New York banks into a condition which points strongly to a rise in interest rates there. However, no very consequential rise has yet taken place, probably because of the recent liquidation effected in Wall Street stocks. Call loans are 2 1/4 to 2 1/2; 60 day money is 2 3-4 to 3; 90 day money, 3 1-4 to 3 1-2; and six months, 4 per cent.

The feature of the New York bank statement of Saturday was the cash loss of about \$10,700,000. As

the loans decreased but \$1,870,000, the surplus was reduced \$7,700,000, and fell to \$10,247,825. Both the trust companies and state banks suffered loss of cash, amounting altogether to \$1,800,000, and their proportion of reserve to liability fell slightly. The drain of cash to the interior, especially to the Northwestern States, will continue for some time; and before it is done it may reach more important dimensions. Also there is the possibility that the Canadian banks may require some gold coin shipped to Canada before our own crop movement is entirely over. These circumstances make it rather apparent that anything in the nature of a resumption of bull tactics on a large scale would result in sharply swinging interest rates in Wall Street to a higher plane.

### Market Affected but Little by Mr. Harriman's Death.

After days of discounting the possibility of Mr. Harriman's death, the stock market received the actual event without further disturbance. Wall Street is of the opinion that continuation of the Harriman policy will devolve upon the shoulders of Jacob H. Schiff, Otto H. Kahn, and Judge R. S. Lowell. Kuhn-Loeb & Co. and the National City Bank will pretty well control the fiscal policy of the system.

It is well known that the American financiers are having recourse to European loans to quite an extent at present. They hope to effect payment ultimately through large shipments of American produce. Our Canadian shipments, or rather the exchange drawn against them, will pass through the New York exchange market, and they should contribute noticeably towards the liquidation of the American floating debt to Europe. Of course our banks get credits in New York in exchange for the sterling bills they sell to the New York bankers. Then it is practically certain that the coming fall and winter will see a considerable volume of bonds of American corporations sold in Europe. The proceeds thereof should liquidate a fairly important portion of the American indebtedness.

### Will Rates be Raised in Montreal and Toronto?

Locally in Montreal and Toronto call loans are still 4 to 4 1-2 per cent. But in some bank parlours there is beginning to be heard discussion as to the advisability of a moderate raise. Funds are going into employment commercially at a rapid rate. Some of the banks which for some time have had on call loan in Canada an amount greater than they wished to have, are now getting down to smaller figures. It is quite possible that some institutions which desire to withdraw further amounts from the Street will elect to do so through raising the rate of interest rather than through calling loans.

### Continued Signs of Trade Betterment.

The satisfactory nature of Canada's trade conditions is well illustrated by the August record of earnings by the Canadian Pacific Ry. In the last week of August the gross earnings were \$2,384,000 as against \$2,008,000 in 1908—the increase therefore being \$376,000. For the whole month the gross figures were \$7,152,000 in 1909, as against \$6,254,000 in 1908—the increase being \$898,000, or not far from 15 per cent. This depicts vividly the active trade conditions ruling in the territory served by the big system. One of the officials, in a press interview, states that freight earnings are running well ahead of last year, and that there has been a remarkable expansion of passenger