

which is \$7 to \$8 a ton under the pool price. The rails have been sold by the United States Steel Corporation and the Pennsylvania Steel Company. Is there not a connection between the two events? The selling companies explain the incident of this sale to suit themselves, but it is evidently disturbing their market. And as to Canadian producers of steel rails, the dumping clause ought to have something to do in their protection.

FINANCIAL REVIEW.

We present below a condensation of the monthly statement of Canadian banks for July, 1904. It is compared with the Bank Statement for the same month of the previous year instead of with the month of June this year, and shows capital, reserve, assets and liabilities, average holdings of specie and Dominion notes, etc.:

CANADIAN BANK STATEMENT.

LIABILITIES.		July 1904.	July 1903
Capital authorized		\$100,546,666	\$96,326,666
Capital paid up.....		79,267,773	77,093,666
Reserve Funds		52,318,691	48,122,212
Notes in circulation.....		\$59,979,830	\$57,563,665
Dominion and Provincial Government deposits	8,518,003		6,794,542
Public deposits on demand in Canada..	118,331,939		110,542,900
Public deposits at notice	312,713,823		271,597,201
Deposits outside of Canada	32,643,571		36,349,191
Bank loans or deposits from other banks secured	817,668		579,948
Due to other banks in Canada	4,676,353		4,198,658
Due to other banks in Great Britain	7,635,558		5,270,959
Due to other banks in foreign countries..	1,562,375		1,561,076
Other liabilities	9,247,331		10,821,812
Total liabilities.....		\$556,126,535	\$505,280,024
ASSETS.			
Specie.....		\$17,303,333	\$14,073,865
Dominion notes		32,049,188	29,742,431
Deposits to secure note circulation.....		3,327,618	3,130,844
Notes and cheques on other banks		17,161,541	16,411,627
Loans to other banks, secured		817,668	589,972
Deposits with other banks in Canada		5,617,022	5,064,725
Due from banks in Great Britain.....		9,395,427	3,711,374
Due from other banks in foreign countries		19,213,193	17,197,942
Dominion or provincial Govt. debentures or stock		10,865,878	11,840,264
Other securities		53,457,330	52,147,092
Call loans on bonds and stocks in Canada		36,711,597	41,881,085
Call loans elsewhere		34,924,405	36,382,605
		\$240,844,200	\$232,173,826
Current Loans in Canada		414,096,802	363,586,174
Current Loans elsewhere		19,821,390	22,226,350
Loans to Dominion and Provincial Governments.....		2,094,659	1,286,312
Overdue debts		2,133,146	2,199,555
Real estate		758,962	835,697
Mortgages on real estate sold		748,128	724,969
Bank premises		9,783,402	8,420,051
Other assets		6,128,566	10,532,557
Total assets		\$696,409,519	\$641,985,699
Average amount of specie held during the month		16,671,640	14,257,291
Average Dominion notes held during the month.....		31,076,172	29,067,961
Greatest amount notes in circulation during month		62,160,693	60,640,008
Loans to directors or their firm		10,168,288	11,209,805

Taking the figures of a year ago instead of those of a month ago enables a comparison of the state of commercial affairs they disclose at two points. The figures of last month show quite as healthy a state of affairs as a year ago, with no set-backs but such as have arisen through stock speculation. The banks appear to have been able to take care of the regular business of the country very well. Current loans show an increase of fifty millions of dollars, which practically corresponds with the increase in deposits in the banks, which increase is surprising. Call loans are less, which is natural and by no means to be deplored, for an increase in transactions resting on production and transportation is to be preferred to a largely puffed up business in shares. Notwithstanding continued activity in business, the reserves of the banks have been well maintained, the proportion of cash assets being to-day 34½ per cent. of the total assets. The increase in circulation from \$57,500,000 to \$59,900,000 is another remarkable feature of the statement; for it indicates continued activity in directions where by reason of strikes and fires at home and some untoward appearances in the United States, one might reasonably have looked for a decrease.

ABSTRACT OF BANK RETURNS.

Description.	July 30th, 1904.	July 31st, 1903.	In Month 1904.
Capital paid up	\$79,267,000	\$77,093,000	Inc. \$174,000
Circulation	59,979,000	57,563,000	Dec. 119,000
Deposits.....	477,697,000	430,058,000	Inc. 4,524,000
Loans, Discounts and Investments	503,282,000	453,872,000	" 299,000
Cash, Foreign Balances, & Call Loans	166,003,000	160,761,000	" 2,256,000
Specie.....	17,303,000	14,073,000	" 147,000
Legals.....	32,049,000	29,742,000	" 471,000
Call Loans.....	71,135,000	78,263,000	Dec 2,633,000
Investments	64,321,000	63,986,000	" 1,735,000
Government Savings Banks, ...		62,213,000	
Montreal City and District Savings Bank		16,123,000	
La Caisse d'Economie d'Quebec		7,114,000	
Loan Companies.....		20,000,000	
			105,450,000
Bank Deposits.....			477,697,000
			\$ 583,147,000
GOVERNMENT CIRCULATION.			
Large.....			\$ 29,393,000
Small.....			\$ 12,919,000
Gold held, \$30,172,000. or 71 per cent.			

DRY GOODS PROSPECTS.

At the present time it would be rash to attempt to forecast the probabilities so far as cotton and cotton goods are concerned. On one or two days this week spot cotton at New York has made upward jumps, but the general tendency without a doubt is towards really lower prices; that is, unless something very serious should happen to the crop now growing, which, of course, during the present weeks is at a critical stage in its growth. Canadian manufacturers seem to anticipate a decline in prices, and for the present withhold quotations. At any rate it may be stated that in the event of any marked change in values the likelihood is in favor of them falling lower. Already battings have made a recession of 10 per cent., but in this particular line there had been some accumulation of stocks. In reading the above remarks it should be borne in mind that the goods