

Prominent Topics

Money and Stocks in New York.

Reaction characterized last week's market to its close. The fact that Union Pacific and Southern Pacific weakened, despite the increase from 5 to 6 p.c. in the latter's dividend rate, was taken as evidence that the preceding week's prices were the result of a professional manipulation, the subsequent effects of which have been a general market decline. Disturbed markets abroad doubtless contributed also to the general weakness.

The bank statement was not so bad as anticipated. Cash holdings decreased only \$903,000, whereas it was predicted that there would be a decrease of nearly \$4,000,000. Loans increased \$3,787,000 during the week and deposits increased \$3,520,800. The result was that the reserves decreased \$1,785,475, and the surplus stood at \$7,473,200. A year ago the surplus was \$14,122,675.

Monday brought dullness intensified to the stock market. The Standard Oil Company fine and the Corporation Commission's report upon the company were taken as indications of the trend of Government activity regarding corporations. United States Steel showed special weakness and influenced the general market. As noted last week, the reduction in the company's new orders is taken as indicating general trade recession. That such recession should cause pessimism is an extreme view. Rather it seems to show that such caution is now being exercised as to business undertakings, that anything in the nature of violent industrial reaction will be avoided. As the New York Journal of Commerce remarks: "The advertised panic seldom comes."

Interior demands for crop-moving are an imminent factor in the money situation. The gold export movement was resumed on Tuesday with the engagement of \$500,000 of the yellow metal by Heidelberg, Ichelheimer & Co. for shipment to Holland. Since May 21, when the first gold engagement for export to France was announced, there has been drawn from the New York market \$20,550,000 gold, \$25,300,000 for France, \$2,750,000 for England and \$1,500,000 for Holland.

Wednesday's transactions showed considerable increase in volume, the market's weakness being accompanied by an active selling movement. While Standard Oil stock was itself little affected, those securities usually associated with the operations of Standard Oil interests were easily the weakest. Further decline in the price of copper was a weakening factor during the day. There was some rally from profit taking by shorts—but the advance was lost again before the close of the day.

At the World's Financial Centre.

Towards the close of last week the London stock exchange took on a somewhat more cheerful tone. Investment buying seemed more in evidence than for some time, though business was still on a small scale. The fall of consols earlier in the week to the record depth of below 82½ was considerably due to the Egyptian Government placing a large block of the stock on the market.

Transactions in Americas were restricted by dear money during the week, and affected by New

York news. Progress is reported in the matter of increasing the reserves of the joint stock banks of England. Although no agreement common to all the banks has yet been entered into, steps have been taken and in the meantime many of the banks are quietly increasing their reserves, and the Bank of England, by holding its rate of discount at a high point, has during the past six months added \$30,000,000 to its supply of gold reserve.

This week has found money rates somewhat easier on account of disbursements on Exchequer bonds and dividends amounting to \$12,500,000. Discounts were firm on Tuesday. Stock exchange trading was quiet with a decline in Americans following the Wall Street movement after decision on Standard Oil case. Canadian Pacific was affected by the fall in Americans.

Wednesday found money easier again at a 2½ p.c. rate. Discounts hardened with foreign demand for gold. Stock exchange trading was dull with a sagging tendency, consols leading. Americans opened fairly steady and improved somewhat during the day.

The proportion of the Bank of England's reserve to liability this week is 46.90 p.c. as compared with 46.74 p.c. last week.

Are Poles and Wires Immoveables?

Mr. Recorder Weir has rendered judgment in an action taken by the City of Montreal against the Montreal Street Railway Company for arrears of real property assessments from 1902 to 1905. The company is condemned to pay the sum of \$41,533.50. The point at issue is whether such property as poles, wires, and rails, are immoveables or not. The company claims that even if the poles, wires, and rails, are immoveables they are essential to the carrying out of its contract with the city. The Recorder holds that they are immoveables, that the city did not by its contract exempt them from taxation, and in any case never had the right to grant exemption. The judgment is one of considerable importance, as it is liable to affect an extensive class of property coming into existence as public utilities. The judgment suggests one or two interesting questions. For instance, upon what basis are such property as poles and wires valued, or upon what basis is it possible to assess them. The value of anything is what it will fetch in the open market and is regulated by the law of supply and demand. The value of a telegraph pole after it is cut down can hardly be sufficient to pay for the cost of felling it and carting it away. Then there is a danger of the city proving too much in a case of this kind. It is generally assumed that the city has the right to order the removal of poles and wires from its streets. Without stopping to discuss the question whether the city can lawfully compel the removal of what it has undertaken to prove to be immoveable, it is worth while to bear in mind that whenever the companies are compelled to put their wires underground and clear the streets of their property (taxed by the city as immoveable) the question of compensation is bound to be raised and will involve a much larger amount than the taxes sought to be collected. The case will probably be appealed and the city may win once more, but it may be expensive.