

a dissolution the question submitted to the voters of the United Kingdom will likely be "tariff reform," in other words "protection," or the Lloyd-George budget. A political battle fought on those lines would most certainly agitate the city greatly. The Czar's visit to France and England is taken to mean that the three powers may stand closer together in dealing with European politics. It is a matter for earnest congratulations that the long-lived hostility between Britain and Russia has so largely disappeared. The Russians and the British meet each other at so many points in Asia, that friendship between them is probably of more real importance than between Britain and Germany. And it is quite likely, when the British Government has succeeded in restoring a comfortable superiority in Dreadnoughts, the Anglo-German relations will become more friendly.

Call loans in New York are quoted at $2\frac{1}{2}$ per cent. Time money has undergone a still further hardening. 60 days, $2\frac{3}{4}$ to 3; 90 days, $3\frac{1}{4}$ per cent.; six months, 4 per cent.

An expansion of \$3,700,000 in the loans of the New York clearing house banks, together with a decline of \$7,800,000 in their holding of cash, produced last Saturday a loss of surplus amounting to \$6,500,000. There still remains, however, a surplus of \$24,796,750. Though the amount looks rather small beside the fifty-seven millions reported a year ago, it still compares favourably enough with the record of surpluses at this date in other years. About the money market one of the leading experts has this to say, "Money is beginning to be a little less accessible to speculators. It is not so easy as it was to borrow any amount of money on any sort of collateral, and here and there one hears of a loan having been called or substitution demanded, or a larger margin required. Until recently the speculative borrower was immune from such worries."

Making the situation at New York peculiarly interesting has been the strong upward tendency of the stock market at a time when prospects of very large wheat and corn crops promised an abnormal demand upon the centres for currency and credits. This week there came a pause in New York market activity, and the question is, What next? The money situation is still admittedly easy, and there is a prospect that Europe may be drawn upon for funds up to certain amount. But the question is, will there be funds enough to keep a stock boom going and to finance the harvests at the same time. If there are not, everybody knows which set of borrowers will have to go without. The harvests will be moved, and the borrowers on stock market collateral will be asked to repay their loans. Then, another question comes in: Suppose there is considerable forced liquidation in Wall Street, because

of the fine crops and improved business conditions, how much of a reaction in prices may be expected?

No doubt, a number of speculators—in Europe, in the United States, and in Canada—will find a good deal of interest in seeking the answers to these questions.

Money market conditions in the Dominion have not altered materially since last week—call loans in Montreal and Toronto being still quoted at 4 and $4\frac{1}{2}$. However, the evidences that the funds of the banks are being steadily absorbed into general business continue to show themselves. In another two weeks, deliveries of the new Western wheat ought to be coming on the market in some volume; but perhaps it will be well on towards the end of September before the money market feels the effect of the crop financing, and even then it may not be very pronounced.

There continue to be quite a few bond and debenture issues of considerable importance by the municipalities, in the East as well as the West. Investment houses have reported business unusually good during the past summer. Notwithstanding the hot weather, investors have been coming forward and purchasing bonds in a satisfactory manner. For the seven months ending July, reported sales by municipalities totalled well on to \$25,000,000.

It would seem as if the rapid development of Alberta, Saskatchewan and British Columbia must result in an increasing supply of bonds coming forward from the new and growing towns of those provinces. It is not to be expected that Canadian investors will be able to buy them all. A goodly proportion—perhaps more than half—will have to depend for their market upon outside investors, principally upon investors in Great Britain. Therefore, Western Canada has a peculiar interest in the maintenance of the market for Canadian bonds in London. Action by any of the provinces or cities tending to hurt Canadian bonds abroad might very likely operate to prevent many western municipalities from building schools or other buildings that were needed, or prevent them from instituting necessary sanitary or other improvements.

COLONEL ROOSEVELT and his son Mr. Kermit Roosevelt were the guests at a public banquet given in their honour at Nairobi in British East Africa at which Governor Jackson presided. In the source of his speech the ex-president as usual said some notable things. He pronounced the building of the Ganda railway, one of the best feats performed by the white race in recent years. He also remarked that "righteousness and our real ultimate self-interest demand that the blacks be treated justly." Colonel Roosevelt is of the United States public men who could say this without inconsistency. He has always shown a disposition to treat the blacks of his own country justly.