

Prominent Topics

The United States and Japan.

It is to be hoped, and there is reason to believe that the hostility of the Japanese towards the United States has been sensationally exaggerated, as this kind of thing usually is. The Japs are not disposed to be aggressive, but their victory over one of the biggest nations on earth has quite naturally led them to stand more upon their dignity. It is unfortunate for the United States that the treaty-making power of the Federal government should be qualified by State rights, and also by a disposition upon the part of large sections of the people to ignore international responsibilities undertaken by the Federal power. It cannot fail to have a prejudicial effect upon future treaty negotiations. The United States has much to lose and absolutely nothing to gain by quarrelling with Japan. But there will be no quarrel this time.

The Death of Mr. J. P. Dawes.

By the death of Mr. J. P. Dawes, Montreal loses a man who has for many years been prominently identified with its business, social and sporting life. The Windsor Hotel Company loses its president, and the Merchants Bank of Canada, one of its directors. Few men have done more than he to advance the interests of the turf in Canada, and to uphold the prestige of Canadian horses both here and in the United States. In this, as in most things he undertook Mr. Dawes achieved distinguished success. One of Montreal's best known and most respected business men has passed away.

The N. Y. Two Cents a Mile Bill.

The governor of New York State has vetoed the bill passed by the Legislature requiring all railways over 150 miles long, to carry passengers at two cents a mile. This bill was a fair specimen of the crank legislation so frequently passed nowadays, to meet a popular demand; without regard to business possibilities or to vested rights, and without any adequate sense of responsibility. One thing nearly always lost sight of in this kind of legislation is its ultimate effect in discouraging the investment of capital in works which are public necessities.

U. S. Government Funds.

The Secretary of the United States Treasury has called for the return by July 10 next of \$30,000,000 of government funds now on deposit in banks throughout the country. As a considerable proportion of the four per cent. bonds maturing will have been presented for redemption by July 10, the surrender of the deposits on that date will not cause any financial disturbance.

Dull Markets in Europe.

The week ending Saturday last was spoken of on the London Stock Exchange as about the blackest in many years. Values continued to shrink, and the present week's settlement was awaited with more than usual apprehension. The failure of a prominent firm brings up the total number since the beginning of the year to thirty. Almost perpetual liquidation has characterized the market ever since the American debacle in March.

Notwithstanding an increase in the proportion of reserve to liabilities, the Bank return of a week ago was by no means a strong one. The Paris demand for gold continued heavy and the Bank evidently suffered as the figures of the return given elsewhere in this issue show. It is not surprising therefore that the present 4 per cent. rate was maintained. Only by calling loans was the bank able to keep its reserves unimpaired.

The Bank of France, on the other hand, added almost \$8,000,000 to its gold holdings and increased its supply of silver, which can be used in payment of notes, etc., to prevent the loss of gold.

The Paris Bourse, however, continues to share London dullness, and the Berlin market too has been deeply depressed, money continuing tight, and the hope of reduction in the Reichsbank rate being again deferred.

European authorities incline to the view that the end is "not yet but soon" and that while investors may well buy special securities on declines, the speculator should exercise caution. The lack of interest in stocks on the part of investment bargain hunters who are ordinarily in evidence at a time like the present, is accounted for by the circumstance that trade all over the world is so tremendously active that it is finding use at remunerative terms for almost unlimited capital. And, of course, this condition of money stringency prevents purely speculative activity on account of the narrow margin available for credits.

During the present week, London sentiment developed a somewhat more cheerful tone. Gilt edged securities hardened with bear coverings, and an encouraging feature was the fact that the Bank of England secured the week's gold arrivals at a reduced price, France's demand ceasing. Money by Tuesday was obtainable at rather easier rates, and on the Stock Exchange the arrangement of the settlement proceeded more smoothly than a fortnight ago.

Wednesday's best features in London were investment purchases in Colonial loans and Indian railways. Consols closed unchanged at 83 7-8 after a fractional decline. Small difficulties were reported at the stock market settlement. Discounts were firm and a trifle higher. At Berlin and Brussels rates eased. Paris exchange on London was unchanged at 25 fr. 14c.

Tight Money. There is no question but that money is tight. Nevertheless there are people who appear to consider it wise to increase the tightness by hoarding up considerable amounts of money in the proverbial old woman's stocking. To those who have confidence in the future of Canada, it would not seem to be an opportune time for keeping large sums of capital hidden away.