allowed itself to be agitated over the picturesque struggle that has been going on. Probably most of the business men are of the opinion that one of the most important things to be achieved in this election is the elimination of Roosevelt; and they doubtless consider that that is in a fair way of being accomplished. However, as the date of the election arrives the people who assume that Wilson will be chosen will be obliged to give thought to the changes in the fiscal system of the country that are supposedly incidental to a Democratic triumph. And it would be strange if careful consideration of this kind had absolutely no effect on the market for securities.

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The Canadian money markets show no substantial changes. Call loans are still mostly on the 6 p.c. basis and the market for mercantile loans is hard and strong throughout the whole Dominion. Over a week of fine dry weather in Western Canada has served to put a better complexion on the situation out there. The farmers have used the opportunity to the very best advantage; in many cases work has been carried on night and day. Threshing operations and fall plowing have been greatly advanced; and if the weather conditions in the second half of the month are reasonably favorable it seems that the agricultural season of 1912 will end satisfactorily to the farmers and business men of the West. It is said that the grain now coming forward in very heavy volume is turning out unexpectedly well. A large proportion of the whole is accorded a high grade. It has been noted that the big milling companies carried a large amount of last year's wheat as at August 31st. At that date the rains were almost continuous, and it was an open question whether the crop of 1912 would be of a good quality. Consequently it seemed to be good policy to hold over a supply of good milling wheat from the crop of 1911.

CANADIAN PACIFIC'S NEW FINANCING: WHAT OF THE FUTURE?

The circumstances of the Canadian Pacific's new financing, which was authorised by the shareholders last week, have given rise to much discussion. Misunderstanding has come about owing to the fact that the action was taken under a clause of the Company's Act of 1892, by which the Company had the option of issuing common stock in lieu of consolidated debenture stock, for the purposes for which the latter is usually issued. The clause in question reads, as follows:—"The company being first authorized so to do by a vote of at least two-thirds of its shareholders, present or represented at a special general meeting, may at any time issue ordinary shares of capital stock in lieu of consolidated debenture stock, and whenever it shall do so then the right to issue consolidated debenture stock shall cease."

These issues may be made without special authority from the Government. Up to the present, however, the authority has not been exercised, but it is now proposed to use it. At the time of last week's meeting there was a total of approximately $90,000,000 4 p.c. consolidated debenture stock in excess of all heretofore disposed of that the company was authorised to issue and sell. Instead of going to the market with a considerable part of this amount, action was taken under the legislation of 1892, and the necessary authority was given by the shareholders to issue common stock instead of consolidated debenture stock for the purposes for which the latter might be issued. As we intimated last week, $60,000,000 common stock will be issued at a premium of 75 per cent., netting the company cash $105,000,000. From the surplus now the property of shareholders $15,000,000 will be taken for the purpose of capital expenditures, making with the proceeds of the new issue of capital, $120,000,000 available, at a cost of increasing the capital by $60,000,000. The proceeds of this $120,000,000 will be used to pay off outstanding 5 per cent. mortgage bonds, amounting to $33,766,000 on or before the date of their maturity, July 1, 1915; to meet expenditures for which the proceeds of consolidated debenture stock would otherwise have been utilised, and about $60,000,000 will go into additions and improvements to the company's property, which are properly chargeable to capital account.

By this means the company will effect a considerable reduction in its fixed charges. The bond and debenture debt will be $60,000,000 less, its fixed charges will be $2,400,000 per annum less than they otherwise would have been, and the available funds for the purposes of the undertaking are increased by $60,000,000. When the $33,000,000 5 p.c. bonds are retired, the road's fixed charges will be reduced to a figure per mile infinitely lower than those of any other road on the continent which has issued bonds.

Thus the new stock which has been authorised by the shareholders has nothing whatever to do with the increase in capital which the Ottawa authorities have been asked to authorise. It is to be noted that this application has not been withdrawn, that is to say, the action under the Act of 1892 is apparently not a mere piece of strategy for the countering of the opposition to the company's application at Ottawa, but forms a part of the arrangements which are being made for the future financing of the Company. The question arises as to how soon, supposing that the Government authorise this new capital, will another issue be made? In an interview, Sir Thomas Shaughnessy stated that there is no reason to believe that the practice which has now been initiated of issuing common stock in lieu of debenture stock, for purposes ordinarily taken care of by the latter, will not be continued. So that it is possibly the intention of the management to