alive to these special requirements, and are seeing to the necessary restrictions and rules being observed before issuing the permits referred to.

Our good city is once more *en fete*, for the double occasion of Dominion Day and the entertainment of the expected crowd of old Toronto residents. Public buildings are being dressed up and private residences, and the general expectation is that a good time will be given the old boys. Commemorative medals are to be issued, of gold, of silver, of bronze, no less. The gold medalists will be they who come from the uttermost parts of the earth, and who, being otherwise eligible, will deserve what they receive. I really believe there is a germ or microbe that is responsible for the holiday-making fever that we Toronto folk get so often into our blood. We lose few opportunities, neglect few chances, of making shows and demonstrations. This whole city full is expecting to run riot in colour and enthusiasms, welcoming our expected guests. What effect the four days of solid enjoyment may have upon general business is another thing. Some are disposed to grumble. You do not seem to have much of this sort of thing in Montreal. Perhaps you are too busy. I pity you if this be your case. But then you are so big, now, that a Home-Comer Festival would about double your population for the time. I met an old Toronto boy from Hamilton, last week, and I told him I thought he had come down a week too early. Oh! said he, I shall be back again next week for the festival. I thought, here is only a bronze medallist at best, no more. I read to-day of some person, an old Toronto boy, arriving all the way from Burmah, and I think he ought to top the list for distance travelled.

Yours,

ARIEL.

Toronto, June 30, 1903.

NEW YORK STOCK LETTER.

Office of Cummings & Co., 20 Broad Street, New York City.
New York, July 1, 1903.

Financial interest during the week has centered in the new issue of $75,000,000 of Pennsylvania stock, the subscription closing on Saturday, and the announcement is made, that it has all been subscribed for, and that 90 per cent. has been paid in. As only 50 per cent. was called for, these payments will give the company an unexpectedly large amount of funds, and will enable it to pay off the $40,000,000 of loans which were made to it some six months ago. This piece of financial work has been one of the most interesting, as well as one of the largest operations undertaken in a long while, if not ever before. It is probable that outsiders will never know all of the dangers which threatened this vast undertaking, dangers not only to the corporation itself, but to the entire financial world as well, for it would have been a dire calamity had it not been successfully consumated. Criticism has been made that the syndicate that it was found necessary to form in order to underwrite the issue, should have received a commission of $2,500,000, for apparently doing nothing. When, however, it is considered that the payment of that amount assured to the Pennsylvania Company $80,000,000—and that the very fact that a responsible syndicate stood ready to take the whole issue, made the transaction a success, we can hardly regard it in any other light than that of a very shrewd move on the part of the officials of the Pennsylvania Company. The settlement of the Pennsylvania loans, amounting to some $40,000,000, which will now be taken up within the next two or three weeks, should, and probably will play an important part in the Bank Statement of the near future, and should enable the Banks to reduce the loan account, which, for a long time has stood at an excess of something like $15,000,000 over deposits at least to or below the line of such deposits, and thus materially strengthen the position of the Banks.

While the Pennsylvania subscription was open, it was asserted by the bears that the market price of the stock, then about 125, would be driven below the price of issue of the new stock, namely 120. Naturally, this was a drag on the whole market, and when the subscriptions closed and the pressure was removed, it was only reasonable that the market should improve, and this it has done.

But this is not the only favourable factor which has influenced the market. Crop reports have become much more favourable from all sections; railroad earnings continue phenomenal; reports of general business throughout the country are excellent and the absorption of the standard securities has been on a large scale, and is likely so largely increase after the enormous disbursements of the half-year, while England and the Continent are now quite ready to take our securities to an extent that they have not done before in years.

Reports regarding the crops go to show that harvesting in the Southwest has been proceeding satisfactorily every day, adding to the amount safely garnered, while in the Northwest much-needed rains have fallen, and thus assured an abundant yield in a section where a considerable loss had been anticipated. The replanting of corn in the flooded districts has about been completed, and there is good reason to believe that this crop will not only be an average one, but considerably in excess of that of last year.

Returns from the railroads are most interesting and instructive. The Erie report for eleven months shows gross earnings of $41,436,483.88, and net earnings of $13,295,602.24, or about $2,028,526 in excess of the previous year.

We have before called attention to this property, and these earnings certainly bear out our previous good opinion of it. It is now paying 3 per cent. upon its first Preferred Stock, while earning something over 4 per cent. upon the Common, and allowing for what should be paid upon the Second Preferred. It would therefore seem reasonable that an increased payment upon the First Preferred to the full amount of 4 per cent., which it is entitled to receive, should be made in the near future.

The Reading Statement for May makes a still better showing. The net result for the month shows a surplus after charges of $1,133,694, against a deficit last year of $264,467. At the close of October last, when the miners strike culminated, the Reading had a deficit on four months' operations of $1,910,518, and was $3,508,223 behind the previous year. In the seven months following the deficit has been cancelled, and for eleven months, to May 31, the Company shows a surplus after charges, and taxes of $4,265,506, or in other words, it has earned dividends on all classes of stock. A report comes from Philadelphia that at the August meeting of this Corporation it will declare a dividend of 4 per cent. upon the Second Preferred Stock, which would be the first in its history.

As stated in our letter of last week, the July disbursements will aggregate about $150,000,000. Interest is payable to-day on Bonds having a par value of $3,586,792,863, calling for $75,370,053, against $71,264,533 last year; $69,333,439 in 1901; $66,949,326 in 1900, and $61,307,137 in 1899.

Dividends have been declared, and are payable on stocks having a par value of $1,563,232,749, the amount of such dividends being $40,551,143. The Government will pay out for interest on bonds, $4,500,000, and for pension payments, $12,250,000.

Prices are now down to a level where they are attractive to investment capital, and barring calamities, we should have an active and gradually rising market for a long time, but while this is so, we hardly think that anything like a boom can be looked for. While the market has been quiet to-day, it has been strong, and the indications are that after the holiday, that it will make further improvement.