

all that is necessary to square matters is for the American people to curtail expenditures and be careful to keep supplies of new capital well ahead of requirements."

The expected happened when, on Monday, New York secured the £1,000,000 in bar gold which was available in the London market, at an advance of 1½ penny on previous quotations. This depressed the gilt-edge section, and consols declined 5-16, the expectation of an early rise in the bank rate assisting in the easy tendency. American stocks continued firm in the London market, investment buying being quite in evidence.

The rise in the German Bank rate to 6½ p.c. on Tuesday affected stock exchange prices unfavourably both in Berlin and London. Consols in London closed ½ lower at 81 15-16 for money and 82 for accounts. Supplies of money decreased in the market and demand was strong.

Discounts in London were unsettled on Wednesday pending the decision of the Bank of England regarding its rate. Stock exchange trading was dull in the morning but strengthened in the afternoon on a rumour that Paris was willing to supply \$15,000,000 in gold to the United States if necessary. However, selling orders following New York opening prices brought depression again.

Thursday brought the expected advance in the Bank of England rate; but the 5½ p.c. rate was apparently taken as a bull point, as relieving the apprehension of a 6 p.c. rate. There was a general belief also that enough gold for America's immediate needs had been or was being dispatched to New York. Two stock exchange failures announced as a result of the fortnightly settlement were not of importance and prices showed steady improvement during the day. Consols closed 1-16 higher at 82 3-16 for money and 82¼ for account. Canadian Pacific was 4 points higher at 155½, Grand Trunk advanced a point to 19½.

Thursday's bank statement reflected the large withdrawals of gold for America, the reserve decreasing by £3,185,000, and the proportion of reserves to liabilities dropping from 47.21 to 39.91 p.c. Although the reserve is now slightly below £21,000,000 it is, however, £2,500,000 higher than at this time last year when the bank rate was 6 p.c. As Egypt and Brazilian gold requirements have yet to be met, the rise in the bank rate was certainly the part of wisdom.

THE CONSUMERS GAS COMPANY OF TORONTO. according to its 59th annual report, has now a total mileage of mains amounting to 337. The gas rentals for 1907 came to \$1,220,585.11, as compared with \$1,136,884.80 for 1906, an increase of \$92,700.31. The amount of the profit and loss account for 1907 was \$523,666.67, while in 1906 it was \$513,000. The balance carried down in 1907 is \$455,360.49, and in 1906 \$509,952. The amount written off in the past year on the plant and buildings renewal fund was \$109,689.30, and in 1906 the amount was \$179,653. To meet the expenditure on new works and extensions the company will offer for sale at public auction on December 12, 9,000 shares of new stock of a par value of \$450,000.

NEW YORK AFTER THE STORM.

Developments that have Occurred in the Readjusting of Financial Conditions.

As was to be expected after a week of such storm and stress, the New York bank statement of Saturday last was a particularly unfavourable one—the loss in cash being \$12,900,000, thus causing a deficit of \$1,233,000. This notable loss in cash, in spite of \$13,600,000 additional Government deposits, indicates something of the service the banks were called upon to perform. On the whole, however, the week closed more hopefully, a reassuring feature being the decision of the Clearing House Committee to allow members the privilege of issuing clearing house certificates in payment of daily balances. Clearing Houses in other principal cities have followed New York's lead, so that the country's banks as a whole have met the abnormal situation, created by a senseless hoarding of cash in safe deposit vaults, by agreeing to pool their reserves for the convenience of the public. This united action of the banks, following upon the heroic aid extended by outside financial interests, and supplemented by the assurance of gold imports, was accepted as marking the turning of the flood. The rate of exchange on London fell to 4.82, well below the import point—a result in part of large European purchases of American "bargains" during the stock exchange slump, as well as of normal commerce in cotton and wheat. The National City Bank announced on Saturday its engagement of \$3,500,000 gold, while subsequently further announcements were made, bringing the total amount of gold available in New York by next week up to nearly \$24,000,000. The Bank of England appears to have willingly let New York obtain \$5,000,000 of the consignment which reached the London market from South Africa on Monday, and is credited with the resolve to put no obstacles in the way of the New York demand so long as it is based on a legitimate need. Because, however, of the competition for the gold arriving in London on Monday, the price of the metal advanced there to 78 shillings per ounce, the highest price since September, 1906.

It is hoped that when, to the arriving gold is added the re-deposit of recently withdrawn and now hoarded currency, the recovery of the banks' position will be rapid. The Evening Post draws attention to the fact that after the difficulties of 1893, the first arrival of Europe's gold—which came in very much smaller quantities than it is coming now—swelled bank reserves at once. Three weeks after the first arrival, the deficit in New York reserves had disappeared; six weeks later, the surplus exceeded \$30,000,000, and it went beyond \$80,000,000 before the year was over. The same journal wisely counsels that gold imports ought to be judiciously restricted to avoid the possibility that Europe itself may become financially embarrassed by the drain. It finds encouragement in the circumstance that the United States Treasury has played a vastly more intelligent part this October than it did when it was encouraging and facilitating in October, 1906, the very events which have helped to the past week's situation.