## Prominent Topics

**Money and Stocks in New York.** The stock exchange activity based upon Southern Pacific dividend prospects culminated by Thursday of last week. While no dividend was formally declared on Thursday, Harriman's statement was accepted as a practical announcement that a 6 p.c. rate would be declared at the next meeting of directors. The announcement having been discounted, profit-taking sales began, and some reaction naturally occurred. Towards the close of the week, monetary conditions with advancing interest rates began to have more direct effects on the market. The possibility of gold export resumption to France was discussed with some concern. Total shipments of gold to Canada for the week were $1,500,000. The bank statement on Saturday proved disappointing, showing an increase of only $170,660 in surplus reserves which totalled $9,258,675—about half the amount of a year ago. The growth in deposits owing to heavy loan expansion practically offset the considerable cash gain from Sub-Treasury operations. The increase in loans was in part attributed to a withdrawal from the loan market by the trust companies on account of the unprofitably low figures recently ruling on call.

Monday's market was dull to the point of stagnation—but with a sagging tendency that changed to a sharp break at the close. Aside from general monetary considerations, and a rise in the call loan rate, another break in copper had a depressing tendency. Bonds continued heavy.

Unsettled conditions marked Tuesday's opening, but with steadying conditions on the London market, New York sentiment improved perceptibly—some of the buying being on account of London short coverings. No dividend change being expected on United States Steel, there was an absence of any anticipatory operations in that stock.

The quarterly report of the United States Steel Corporation while in itself favourable had as a sort of rider the statement given by one of the directors that the amount of new business of the Corporation for July had contracted 25 to 30 p.c. from the business of July, 1906. The effect upon Wednesday's market was to weaken it generally, the steel trade being considered barometric of general industrial conditions. Copper stocks were weak on a further decline in the metal in the London market. Sterling exchange moved away from the gold export point, higher rates for call loans having involved offerings of bankers' finance bills. The ruling call rate was 3½ p.c. with 4 p.c. as highest.

**Government Bonds.** The article on Government Bonds appearing in the last issue of THE CHRONICLE has evoked considerable comment in the press, and some discussion apparently in financial circles. We believe the matter is one well worth careful consideration in all its bearings. The holding of such securities, to form a part of banking reserves as indicated in the article, would have the manifest advantage of assisting largely in developing the country and in maintaining its credit.

**London Markets.** Strange as it may appear, about the most depressing home influence during last week upon the London stock market was the return of a socialist member to Parliament. Capel Court's fear of socialistic legislation is apparently similar to the dread of the Paris Bourse regarding the postponed income tax measure. The American section showed considerable activity, and on Wednesday and Thursday of a week ago led all the markets upwards—Southern Pacific dividend expectations being, of course, the immediate influence. Money hardened towards the close of the week following the remarks of Sir Felix Schusters as to the necessity of independent banks supporting the Bank of England, so that a strong effort may be made to prevent a repetition of the state of affairs which existed last year, when the Bank of England had to have recourse to the Bank of France.

Money was in good demand on Monday and discounts were firm. Stock trading was extremely limited, influenced by settlement arrangements. Gilt-edged securities were especially dull, due partially to the Bank of England's failure to secure more than $1,500,000 of the gold available on the market. Activity in Americans was checked somewhat by the unfavourable bank statement and the money outlook.

Tuesday found money dearer, and stock prices weak. In the afternoon, however, after consols had declined to 82½, liquidation was checked and gilt-edged securities strengthened, the monetary situation continued to perceptibly affect Americans.

Firmness in money continued on account of month-end and settlement requirements, with discounts dearer. Consols and other British securities improved through satisfactory arrangements being made for settlement. Americans were somewhat stronger, the United States Steel report not affecting the market perceptibly. Copper shares were irregular owing to metal prices. Money was at 3 p.c. to 3¼ p.c., with discount rates as follows: Short bills, 3⅜ to 3½ p.c.; three months' bills, 5⅝ to 3¾ p.c.

**Westmount and Municipal Ownership.** Westmount's experience with the cost of its municipal electric plant is not of a sort to give undiluted encouragement to the advocates of public undertakings and ownership. The original estimate for the plant and accompanying garbage destructor was $180,000. To make sure, the rate payers were asked for $225,000. Last January's report showed a cost to date of $211,783, exclusive of land, or a total of $230,943—more than $50,000 above the estimated cost. And now the town council wants power to borrow an additional $65,000 to adequately complete and equip the plant—possibly the end is not yet. The experience of old-world London seems repeated *in parvo* here in our midst.

With these ambitious undertakings, all apparently goes well so long as a municipality borrows plenty of money and freely expends it. But, usually, tax-payers as a body are subjected to increased taxation for benefits which, ordinarily, are enjoyed only by a part of them.