

that no increase in the official rate will be necessary this autumn. Twelve months ago the Bank was on the eve of raising its rate to 5 p.c.—and a week or so later to 6 p.c. That gold is, however, still being eagerly sought for European bank reserves is evident from the competition which the Bank had from these institutions in bidding for South African gold.

The stock market during the week was dull—with some slight investment demand in gilt edged securities. There was an advance in consols at the end of the week.

Competition on Monday continued keen for available gold—Paris, the Bank of England and India securing equal portions of the £500,000 available. Gilt-edged securities and home rails found fair investment demand. Americans were weakened by poor New York bank statement.

By Tuesday the effect of dividend distributions was toward easier money rates. Stock exchange trading was quieter, with some reactions in gilt-edged securities, and a few speculative advances.

Amsterdam liquidation in London speculative stock affected the market on Wednesday, Americans especially being sold. General trading was slack owing to arrangements for the settlement. Consols closed unchanged at 82 15-16 for money and 83 1-16 for account. Canadian Pacific declined 1 3/4 to 164 3/8. Grand Trunk declined 1/4 to 21 3/8. Money was in good supply in the market and the demand quiet. Discounts were quiet.

This week's statement of the Bank of England shows the following changes:

Total reserve, decrease.....	£1,497,000
Circulation decreased.....	358,000
Bullion decreased.....	1,855,475
Other securities decreased.....	1,167,000
Other deposits, increased.....	1,416,000
Public deposits, decreased.....	1,978,000
Notes reserve, decreased.....	1,361,000
Government securities, increased.....	1,500,000

The proportion of the Bank's reserve to liability this week is 46.51 p.c. as compared with 48.86 p.c. last week. The rate of discount of the Bank of England remains unchanged at 4 1/2 p.c.

Lord Rothschild says that: **Lord Rothschild on the Financial Situation.** "stocks are low, because governments all over the world are hissing at capital." The expression is a strong one and a suggestive one, and it comes from a man who knows what he is taking about. The great financier also alluded in the same sense to the socialistic denunciations of capital. It is one of the defects of what is called popular government that the rulers of a nation, by whatever name they may be called, are under the constant temptation, almost the necessity of subordinating their own better judgment, to the whims and fads of the imperfectly educated and irresponsible leaders of mobs more ignorant and even less responsible than themselves. That President Roosevelt's indiscreet utterances with reference to capital have done infinite harm to all classes in the United States, is evident to all men capable of judging the situation. He is an exceptionally able man, and his patriotism and public spirit are beyond suspicion, but his administration is opposed by nearly all the demagogues in the

country, and he has permitted himself to pose as a little more demagogic than they are. To do him justice, his actions are generally wiser than his words, and we cannot believe that he ever realized the extent of the mischief that his speeches might do to the financial and business interests of the United States. The witty Earl of Rochester challenged by Charles the Second to write an epitaph upon His Majesty, wrote:

Here lies our Sovereign Lord the King;
Whose word no man relies on;
Who never said a foolish thing;
And never did a wise one.

Like most epitaphs it was an exaggeration. If President Roosevelt is not careful, his most popular epitaph will probably allege that:

He never did a foolish thing;
And never said a wise one.

Both statements will be partially untrue.

The City Council by a vote of **The Water Rates.** 32 against 5 has decided to make a substantial reduction in the water rates. The tax on residences was reduced from 7 1/2 p.c. on rentals to 5 p.c. A number of amendments proposing to make corresponding reductions in the water rates on stores and factories and in the meter rates for certain institutions were defeated. According to the Chairman of the Finance Committee the reduction made will involve a loss to the city of about \$200,000 a year. It was pointed out that the reduction after all would affect the poorer classes of people very little, for they get their water about as cheaply as it could possibly be supplied; the average water rate for the real poor being about \$6 per annum or say \$1.50 every three months. Those having houses rented at \$1,000 a year will reap a good benefit from this large reduction. We suppose the point has never been considered that some of the houses paying \$8 or \$10 a year water rates use as much water as those paying \$75 a year. There is one thing certain, however, and that is that the Montreal water service is dear at any price. The aldermen evidently feel it necessary to do something to offset the feeling aroused over the failure of the water supply.

Some frauds seem to succeed **Transparent Frauds.** by their very simplicity and transparency. We have received from a resident of Arthabaskaville the copy of a letter addressed to him and purporting to come from Leonard B. Drummond, attorney at law of 608 Sixth Avenue, New York. The letter reads:

Dear Sir:—
In accordance with the commands of the late Mr—— I beg to announce that I have in my care five shares of Canadian Pacific R.R. stock. Value \$800. These shares were left to you by the late Mr—— of this city at his decease.

The forementioned shares will be forwarded to you on receipt of my fee of \$5.00 as counsel in this matter.

Hoping that I may be of assistance to you at some future time,

I am
Respectfully yours,
L. B. DRUMMOND

The scheme is the work of two New York school boys, sons of millionaires, who are said to have made a good deal of money by the fraud.