

Prominent Topics

General Financial Situation.

The improvement in the financial situation continues steadily. The payments on the fourth, about which there was considerable anxiety, were met without causing trouble. The annual meeting of the Bank of Montreal was held this week, and the speeches, including those of the President and the General Manager, were of a most reassuring character. Notwithstanding the trying times through which they have passed, it is evident that the Canadian banks which have so far issued their annual statements make a satisfactory showing, their usual annual profits having been maintained.

The Western Crop.

The Hon. Robert Rogers, who is now in Montreal, states that the grain crop of Manitoba, Saskatchewan and Alberta, is worth at least \$125,000,000. He says there are 70,000,000 bushels of wheat, 85,000,000 bushels of oats, and 25,000,000 bushels of barley. He also reports that 30,000,000 bushels of wheat have already been moved out of the country.

The Situation in the United States.

So far as the United States is concerned, President Roosevelt's speech was upon the whole favorably received. It was certainly an improvement upon his unfortunate Jamestown utterance, and showed a little more appreciation of the situation and of his responsibilities. Currency legislation is apparently shelved for a short time at all events. This seems to be a problem beyond the comprehension of the legislators of the United States. They certainly should adopt the necessary legislation to prevent a recurrence of recent events.

It is stated that the National Bank of Commerce of Kansas City, Missouri, is now in the hands of the Federal Comptroller of Currency. This bank was established in 1865. It has a capital of \$1,000,000, a reserve of \$2,000,000, and the August statement given to the comptroller showed deposits of about \$35,000,000 since reduced to \$16,000,000. The cash on hand in August was \$16,000,000 and is now \$5,000,000. The loans and discounts which were \$16,000,000 are now reduced to \$12,000,000, and the total resources have been reduced from \$39,000,000 to \$24,000,000. The bank is affiliated with thirty different concerns throughout Missouri. Its correspondent in Chicago is the First National Bank of Chicago, and in New York the First National Bank of that city. The Westinghouse companies which were not placed in the hands of receivers, will it is expected, pay their regular dividends. It is also stated that the bond interest in the other Westinghouse companies will be paid as usual.

The New York Sun discussing the President's message, describes it as "a most painstaking and conscientious compendium and exposition of responsibilities which no longer devolve upon him."

After-Developments in New York.

The decision of the United States Treasury Department last week to limit the allotment of its 3 p.c. notes, and accept no more bids for them, was looked upon as a striking evidence that the turn of the tide towards normal monetary conditions had set in. Saturday's New York bank statement showed a large increase in loans attributable to subscriptions to the new Government issue. This increased the excess of loans over deposits by nearly \$7,000,000 and prevented any large decrease in the deficit—which was, however, reduced by \$1,114,175 to the sum of \$52,989,425. Cash holdings were increased by over \$2,000,000.

The comptroller's call upon the national banks throughout the country was made for December 3. Its outcome will be awaited with unusual interest. By Tuesday of this week a currency premium of 2 p.c. had reappeared—accounted for largely by the demands of banks to increase cash holdings in anticipation of the call from the comptroller.

Monday afternoon brought considerable speculative activity on the Stock Exchange; kept in check, however, by high call loan rates. On Tuesday there were varied turns up and down, without any very extreme tendencies. On the whole the President's message is considered a quieter document than usual. While stock selling developed price declines in the afternoon, the movement was attributed largely to profit-taking.

Wednesday brought shifting price levels, with greater strength towards the close. The departure of the Japanese ambassador and the President's speech were incidents that seemed to be regarded rather seriously abroad, and the selling for foreign account was sufficient to cause early market depression. Copper stocks, owing to successive dividend reductions and decline in price of metal, were especially weak. The comptroller's call having been made, the premium on currency fell back again on Wednesday. Call money was easier, and tended to strengthen the stock market's close—as did also unfounded rumours as to the Bank of England's rate. Thursday's early market was affected by the Kansas city bank failure, but there was a sharp advance at noon—part of which was lost on profit-taking.

The London Markets.

The Bank of England statement of a week ago, with its reserve increase of £1,870,000, was taken as indicating that the corner had been turned in the monetary situation. Market discount rates were allowed to fall nearly one per cent. below the bank rate, in view of the fact of the marked falling off in New York's gold engagements, and the belief that further demands for the yellow metal would be met by the Bank of France. While call money continued dear, owing to settlement and month-end demands, the Stock Exchange developed a distinctly more confident tone during the week. Consols benefited, followed by other British securities. American railroads at their low price levels were in considerable demand for investment purposes.

On Monday, the stock market was quiet but firm for home securities. Encouragement was taken