

Constitution. The attendance on this occasion was not so full as at the first meeting. The representatives of companies present accepted the report as submitted, subject to the approval of their Boards of direction, and it was agreed that a later meeting for final decisions would be called.

It is impossible not to sympathize with the feelings and states of mind of the non-tariff people at this point in their history. Their reaching outward and upward towards a something not yet clearly defined, which looks like an organization, an association, for the protection of their mutual interests, but which must not be called by those names, all this I say betokens a vitality, an intelligence that is encouraging to their friends as an evidence of a strong desire to better their particular section of the Insurance field. Whatever the immediate issues of the above movement, may they not possibly prove to be the initial workings of such an evolution as attaining eventually its full development will, in each individual case, result in the presentation to us of a full-fledged, or full-blown Tariff Company with all that the name implies and stands for?

Let us not forget that many of the Great Oaks, to-day prominent in the Tariff Associations grew from little acorns, nurtured in sunny nooks of the non-tariff field.

Yours,

ARIEL.

Victoria Day, 1904.

NEW YORK STOCK LETTER.

New York, June 1. 1904.

An apparent explanation of the recent heavy shipments of gold is found in the facts now coming to light. In the statement issued by Messrs. J. P. Morgan & Co., they state that in making the payment for the Panama Canal property, it was only necessary to ship some \$18,000,000 of gold. It must be remembered that the receipts of Japanese gold on the Pacific Coast have been very heavy, and as that they have nearly, if not quite, equalled the shipments from the Atlantic ports, it will be seen that the large outflow of gold has been for payments abroad of Japanese debts, and that the precious metal has simply passed through this country in transit; so that really the amount actually withdrawn from this country for shipment is very moderate.

Another thing which must not be lost sight of is that the shipments which have been made are not because the foreigners are afraid of our condition and, therefore, wish to call home their funds, but because we can readily spare the metal, and the fact that we are doing this has materially strengthened our credit with the entire world for it shows the inherent strength of the country. And while there are those who can see no good in anything, and seem to believe that there is no daylight at all in the present condition of things, we would call attention to the fact that our railroads are built and running, and will continue to run, and that most of them have been put in good condition; some of them practically rebuilt, and that they should and probably will be able to run for a considerable time with very few repairs or betterments, and that, therefore, they can stand quite a reduction in earnings and not be seriously affected. We have before called attention to the growth of local business on most of the lines, and this business once established yields a pretty steady income, and while it may show some falling off the bulk of it will continue to be forwarded. Reports from the agencies as to the general business of the country show that the retail trade has

been stimulated by seasonable weather, and that the industrial outlook on the whole is brighter. Manufacturing lines report a slight improvement at woolen mills and shoe factories. Inaccurate impressions have prevailed regarding the extent of illness among railway employees. Even if the most extreme estimate is accepted, it is only about 7 per cent. of the entire force and in a normal year 2 per cent. are idle in summer. So that the excess above the average is only about 5 per cent. The strong point of the mercantile situation is that speaking generally, retailers are carrying very light stocks of all classes of goods.

Labour is still one of the disturbing factors, and in the iron trade, manufacturers in all lines have been so long under the strain of restless labour, higher cost of materials and transportation, short car supply and other annoyances, that they rather welcome an excuse for stopping, and the sentiment if often heard where they get together, that no better opportunity is likely to occur in the next five years to regain control of their own business than at present, and there is every disposition to improve this opportunity.

During the triple holiday the Bank statement was given out, showing contraction in loans of \$16,070,100, and an increase in the reserve of \$16,688,050. In a normal market such a statement as this should have had a decidedly stimulating effect upon the market, but upon the resumption of business on Tuesday, it appeared to have no effect whatever. For a considerable period, only a short time ago, the loans exceeded the deposits by some \$17,000,000; but the statement just issued shows that the total deposits are now \$1,098,953,500, and the total loans \$1,040,483,400, or a surplus of deposits in excess of loans of \$58,470,100, showing a very material strengthening of the financial situation.

The weekly weather crop report shows that a general improvement has taken place in the condition of winter wheat in the principal wheat States, and the corn is also doing well in the Southern corn States, while the early sown spring wheat is growing nicely, and the general outlook for this crop is promising. The tone of the weekly reports by Chicago officials of western roads is a trifle more cheerful and are to the following effect. Atchison—weather helping crops. Kansas will raise 90 per cent. of average wheat crop. Road is making good average on net earnings through rigid economy. Rock Island—Some improvement over past six weeks. Shrinkage, no reason why traffic should not improve after presidential election. St. Paul—All things considered, road doing very satisfactory business. Crop conditions improved and with it new business developed. Chicago and Northwestern—Shrinkage of April about reached low tide a week ago, since then, improvement steady. Favourable change coming with improved crop prospects.

As confirmation that these reports are correct, May wheat broke yesterday some 4½ cents per bushel, while cotton was from 11 to 15 points lower.

The foreign trade report for April makes a very satisfactory exhibit and shows that the total imports decreased \$4,163,262, while the exports only decreased \$155,589, but for the ten months imports show a decrease of \$35,659,086, and exports show an increase of \$55,818,558.

In about two weeks cotton should begin to come forward in gradually increasing quantities, and should and probably will find a ready market abroad. As foreign stocks are low, the exchange created by these shipments added to the increased exports, and considering the decreased imports should and will make a very handsome trade balance in favour of this country.

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