

though American opinion inclines to the view that affairs will go through satisfactorily, it seems fairly certain that the altered condition of things will result in some disturbance, though possibly not to any considerable extent.

For the redress of the abnormal trade balance against the United States, New York is naturally relying in the first place upon exports of cotton and wheat. The cotton crop is late and apparently on the short side and in regard to wheat the amount available for export is somewhat less than usual. Possibly some demand for what is available may come from France, which will have to import very heavily this year in view of the crop failure there. It would appear that the excess of United States imports over exports so far this year (to the end of August) has been kept down largely by the heavy sales of American bonds abroad in the early part of the year. It is a matter of importance to the United States that these large sales in Europe should continue. There has been of late a rather improved tone in the bond market, but it may well be doubted if with United States politics in their present condition and with the railroad rates question unsettled the European investor is at present inclined to add largely to his holdings of American bonds. When the political atmosphere has cleared and the Inter-State Commerce Commission have given their decision with regard to freight rates the case may be different. So far as the resources of the United States banks generally are concerned, it appears from the recent returns to the Controller under the National Bank call of September 1, that their loans and discounts had then increased by \$338,000,000 in comparison with 12 months previously, and \$37,000,000 over June 30 last. Coincidentally there was an actual loss of more than \$2,400,000 in cash in the year period, and an increase of less than \$31,000,000 between the statements of June and September. The return as a whole shows loans and discounts at the highest figures ever reached. In New York, as mentioned in our weekly survey of the financial situation, the trust companies are in shape to relieve the clearing house banks of a considerable total of loans.

With regard to Canadian conditions it appears that the autumnal period may be anticipated with every confidence. Any disturbance in the big international markets would, of course, be reflected back to us, but so far as purely interior conditions are concerned, there is no cause for nervous fears. Trade continues good, the revenue is large, the financing of the crops is going on smoothly and capital continues to flow very freely into the Dominion and will, we believe, continue so to do. Monetary conditions in Canada, in short, are essentially sound.

#### THE CANADIAN PACIFIC'S MEETING.

Sir Thomas Shaughnessy's speech at the annual meeting of the shareholders of the Canadian Pacific Railway on Wednesday, contained several announcements of interest not merely to the shareholders, but to that larger public, which in Canada takes pride in the wonderful progress of a company that is a Canadian institution. In view of the figures contained in the annual report, the importance and significance of which we have previously discussed, Sir Thomas had a particularly simple and agreeable task in reviewing the present position of the company. At the same time the speech was essentially conservative in tone and he was careful to point out that conditions may not always be so favourable to the company as they were last year, and have been in the months which have intervened since the close of the period covered by the annual report.

In one respect at least it appears from Sir Thomas Shaughnessy's speech that the result of the year's operations was actually considerably better than appeared from the annual report, since there was included in working expenses, an additional fund of about \$3,700,000 to provide for maintenance works of one kind or another that were contemplated but could not be completed in the year which closed at the end of June. The figures, as Sir Thomas pointed out, are an emphatic indication that the traffic is being handled efficiently and with economy as a result of the large expenditures that have been made during recent years upon maintenance and improvements. While during the current year gross traffics have been on an unprecedented scale, it is possible that later on there will be a shrinkage in gross earnings owing to the fact that the quantity of wheat to be moved from the West during the next few months is considerably less than it would have been had normal weather conditions prevailed during the summer.

Rumours regarding the company's intentions in reference to its Atlantic and Pacific shipping services have been freely circulated both here and in Europe during recent months and it now appears, not without cause. The company expects to complete an arrangement with regard to both oceans, in about two weeks, and this arrangement will entail the provision of new and faster steamships on the Atlantic service, and the replacing of the Pacific boats, now too small for the trade, which although it has not increased in the same way as the Atlantic trade still shows steady growth.

Possibly, however, the most interesting part of the President's speech is that in which he referred to the question of the company's dividends, which,