

**EFFECTS OF THE RECOVERY IN CONSOLS.**

One of the striking features of the revival in London, writes a correspondent of the *London Times*, has been the almost spectacular recovery of Consols. They have risen at, for them, a surprising pace. It is hardly too much to say that a week or two ago there were "none so poor as to do them reverence;" they were the jeered-at, despised Cinderellas of the market. The advance of over a couple of points is important in its bearing upon the situation. One has only to consider what this means to the balance sheets of banks, insurance companies, trusts and kindred institutions. During the past year the leading banks have had to write off more than two millions for depreciation of investments; the recovery in Consols, if it is maintained, will restore some at least of this lost paper value. Presiding yesterday at the meeting of the London and Provincial Bank, John Woodrow Cross, referring to the recent depreciation in the "cream" of securities, said that, though Consols at December 31 were left standing in the books of the company a few points above market value, the rise in the past two days had reduced the difference (under £70,000) to a comparatively small amount and created a not inconsiderable surplus in the other securities. And Consols are an index as well as a prominent factor. Where they lead other gilt-edged securities follow.

What this recovery means to our colonial kinsmen may be gathered from the cheering fact that the Victorian loan, issued a day or two ago, was fully subscribed. It would seem as if the long pent-up forces of investment needed very little more encouragement to break forth into a flood of buying. Certain is it that the insurance companies, not to mention others, have an accumulation of funds which they want to place, and which they have so far delayed placing on account of the unsettled state of the world. It looks as if a relatively quiet time were ahead, for the severe setback that syndicalism has experienced in South Africa should tend to check labor upheavals for some time to come.

**SASKATCHEWAN'S CONTROL OF MUNICIPAL BORROWINGS.**

The Saskatchewan commission to control municipal finance as already announced, has now entered on its duties. The members of the commission are Messrs. A. J. McPherson, formerly chief highways commissioner; S. P. Grosch, formerly city solicitor for Regina; and J. R. Bunn, formerly chairman of the liquor licence commission. The commission, it is said, is made as independent from party control or local interest as it is possible to have it. The members are disfranchised, and debarred from engaging in any business or being interested in any undertaking that could in any way bias their judgment in the matters brought before them. The board will have power to enquire into the merits of any application for permission to raise money by debentures and to grant or refuse such permission; to act as agent for any local authority for selling its debentures or stocks; to manage, notwithstanding anything in the city act or town act, the sinking fund of any local authority which desires to entrust the same to the board for management; to supervise the expenditure of moneys borrowed by local authority under this act; to obtain

from any local authority at any time a statement in detail of its assets and liabilities, and of its revenue and expenditure for any definite period. The board has power to make the fullest enquiry, having all the power of a court to summon and examine witnesses at a time and place set for the hearing. The debentures issued shall require the signature of the chairman or acting chairman of the board. It will be seen from this that the municipalities in Saskatchewan which desire to issue debentures will have to first secure the permission of this government commission. It is expected that under this system the price obtained for debentures will be much better than under the old system.

**AN ESTIMATE OF CANADA'S BORROWINGS THIS YEAR.**

That Canada's borrowings during 1914 will amount to a minimum of \$355,000,000 is the estimate made by the *Wall Street Journal*. This compares with actual figures of financing through bonds and debenture stock in 1913 of \$373,795,295, including Canadian companies operated abroad, and with \$481,000,000, in round numbers if stock issues be included.

Canadian flotations in London this year are estimated at \$185,000,000, consisting of the following amounts for various groups.

Government loans . . . . .	\$30,000,000
Municipal . . . . .	50,000,000
Railroads . . . . .	50,000,000
Industrial . . . . .	35,000,000
Mortgage, loan and lumber companies . . . . .	20,000,000
<b>Total . . . . .</b>	<b>\$185,000,000</b>

Last year the United States absorbed nearly \$51,000,000 of Canadian bonds, of which slightly over \$22,000,000 were municipals. It seems not unlikely that Canadian bond sales in the United States will approximate those of last year; \$50,000,000 would probably be a conservative estimate. Half of this amount may be municipals, and a considerable percentage railroad equipment issues.

Canada's takings of her own bonds of all classes will probably be somewhat greater than in 1913, when over \$43,600,000 was her investment.

A sharp falling off in industrial issues is looked for this year. Bond and stock financing by industrial and miscellaneous companies approximated \$100,000,000 in 1913, while estimates for the current year are in the neighborhood of \$60,000,000. These estimates may be arranged in table form as follows:

	1914.	1913.
*Loans in London . . . . .	\$185,000,000	\$255,084,114
Bonds sales in U. S. . . . .	50,000,000	50,720,762
Bond sales in Canada . . . . .	60,000,000	45,603,753
Stock issues . . . . .	60,000,000	107,000,000
<b>Total . . . . .</b>	<b>\$355,000,000</b>	<b>\$458,408,629</b>

\*Excluding companies operated abroad; that financing amounted, in 1913, to over \$22,000,000, all placed in Great Britain.

**CANADA LIFE'S MONTREAL BRANCH.**

The Montreal branch of the Canada Life under the management of Colonel E. W. Wilson, has shown a substantial increase in 1913 over previous years, and heads the Company's list of all other branches, in the Dominion for new business written.