

bonds; and certainly there is none against the use of every legitimate means of attracting British capital to the Dominion. The Vancouver authorities, in making their issue in the form they did doubtless followed the advice of their London advisers; but the point raised by the Financial News is of sufficient importance, to justify it being borne in mind by Canadian municipalities and others who are thinking of floating loans in London with a view to making the necessary suggestions and, if thought desirable, arrangements for bearer securities.

A HALF YEAR'S CAPITAL ISSUES IN LONDON AND THE UNITED STATES.

London has never known such a half-year for new capital issues as that which has just closed. For the first quarter of the year the applications in the London market for new capital totalled £99,355,600, and in the second quarter, although the period began with a 4 per cent. bank rate, the total was £88,721,400, an apparent decline, but a real increase, since the British Government's issue of £21,000,000 Exchequer bonds in the first quarter can hardly be counted as new money. In the second quarter the requirements under nearly every head exceeded those of the preceding three months, and the total of £188,000,000 for the half-year is far above any previous record, although for the greater part of the time the bank rate was over 3 per cent. In fact, this vast total for the six months has only once, in 1908, been exceeded by the capital applications for a whole year. The following table, compiled by the London Economist, shows the figures for each quarter in each of the past four years:—

	1906.	1907.	1908.	1909.	1910.
	£	£	£	£	£
1st Q'ter	30,264,800	49,428,600	45,287,900	64,238,400	99,355,600
2nd Q'ter	55,059,800	40,304,600	64,385,600	56,835,200	88,721,400
3rd Q'ter	10,835,800	15,631,400	31,541,800	27,694,400	
4th Q'ter	24,012,800	18,265,400	50,988,400	33,588,500	
Total..	120,173,200	123,630,000	192,203,700	182,356,800	188,077,000

The year 1910 is, therefore, bound to be a conspicuous landmark in the history of capital applications in London, though doubtless there will be some natural falling off from these marvellous figures in the second half of the year.

In the last three months the British Government has raised no public loans, but the colonies are large borrowers, Canada being responsible for six of the eight millions taken by Colonial Governments during the period. The heavy bond issues of the American railways have swollen the total under the heading of foreign railways to over 21½ millions sterling, though otherwise the total would have been quite normal. The rubber companies, which, as the Economist says, "have been springing up like mushrooms," are mostly quite small, but they have been so numerous that their total capital amounted to £16,500,000, while the oil boom accounts for over £8,500,000.

Regarding the destination of this new capital,

a classification according to the part of the world where this money will be employed gives the following result:—

United Kingdom.....	£ 43,887,600
British Possessions.....	59,666,600
Foreign Countries.....	84,522,800

Total.....£188,077,000

Dissection of the "British possessions" total reveals these figures:—

Canada.....	£26,518,200
India and Ceylon.....	12,784,300
Australasia.....	7,130,800
South Africa.....	2,466,100
Other British Possessions.....	10,767,200

Total.....£59,666,600

On an analysis by countries of the destination of the British capital raised during the half year, it is found that the only individual totals larger than that of Canada, are those of the United Kingdom, which, including the £21,000,000 issue of Exchequer bonds, absorbed £43,887,600 during the half-year, and of the United States, which took £36,414,600, mainly in the form of railroad bonds.

The United States' Record.

The exact total of new issues in the United States during the first half of 1910, according to New York compilations, was \$1,048,431,950, which compares with \$860,544,480 in 1909, showing therefore, an increase of \$187,887,470. The total for the first half of 1908 was \$836,174,876.

The following table summarizes the new bonds, notes and stocks actually issued during the last six months by railroad and other transportation companies and by industrial, mining and miscellaneous corporations:

	1910.	1909.	Change.
Bonds.....	\$435,756,440	\$443,800,000	—\$ 8,043,560
Notes.....	158,540,000	22,604,580	+ 135,935,420
Stocks.....	74,970,910	49,081,000	+ 25,889,910
Total..	\$669,267,350	\$515,485,580	+ \$153,781,770
	INDUSTRIAL CORPORATIONS.		
Bonds.....	\$172,943,000	\$233,889,000	—\$ 60,946,000
Notes.....	25,100,000	23,575,000	+ 1,525,000
Stocks.....	181,121,600	87,594,900	+ 93,526,700
Total....	\$379,164,600	\$345,058,900	+ \$ 34,105,700
Gd. Total..	\$1,048,431,950	\$860,544,480	+ \$187,887,470

The most striking features of the 1910 financing, says the New York Journal of Commerce, has been the phenomenal increase in the sale of short-term notes by the railroads. Fashion changes in the investment world as elsewhere, and this year the demand, especially on the part of Europeans, has been for short securities. Long-term bonds have been sold in large quantity, it is true, but the terms have been less satisfactory to the borrowers than to the buyers. Seldom has the disparity between the yield on high grade bonds and the ruling rate for collateral loans been greater than during the current year; hence many boards of directors have preferred to pay high rates for only a few years in the hope that by the time the notes mature it will be possible to obtain accommodation at less prohibitive cost.

The country's need for capital, continues the Journal of Commerce, must not be measured by