

livered to various foreign would-be borrowers in Paris, and not only does the Government look after manufacturers in this way, but it exercises also a strongly discriminatory power through the official machinery by which the Minister of Finance passes upon the official listings on the Paris Bourse. In the case of foreign State loans, their issue in France becomes very much a matter of diplomacy—as witness the recent incident of the new Turkish loan. The importance of the Paris market to foreign borrowers may be gauged from the fact that during the last year no less than 2,000,000,000 francs (approximately \$400,000,000) in foreign loans have been placed there, and it is stated that Russia will again be borrowing heavily in Paris at an early date.

Both in Canada and the United States, an improving demand for bonds is reported, and this demand is taken by many people as a hopeful augury for the future in the stock markets. The New York Commercial Bulletin describes the buying in New York as of an inspiring character; it does not emanate from speculators, but mainly from trust companies, banks, trustees and wealthy individuals. The financiers who hesitate to advise the purchase of stocks even at the current low levels are strongly recommending investment in bonds without further delay. They point out that thoroughly safe issues can be obtained to yield from $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent. and in exceptional cases 6 per cent., or appreciably more than the quotation for long-term collateral loans—that is the touchstone usually applied to determine whether securities are cheap or dear. The revival in bonds is not based entirely on existing conditions, however, but is inspired, says the Commercial Bulletin by a belief among bankers that four months from now money will be in overabundant supply throughout the United States. By January the agricultural demands will have subsided and funds will be pouring into New York from all quarters, the surplus being greatly augmented by the contraction in trade, the diffidence in entering upon ambitious new enterprises pending the interpretation of the Sherman anti-trust law and the tendency towards economy which is at last making itself manifest. Well-secured bonds, if properly selected, it is emphasized, will not be defaulted upon no matter how politics may disturb prosperity, or how unsettling the final decisions in the American Tobacco and Standard Oil cases may be.

Security Values The usual monthly compilation by the Bankers' Magazine of the aggregate value of securities dealt in on the London Stock Exchange shows a decrease for the month of September, of £10,331,000, or 0.3 per cent. following a decrease of £10,399,000, also 0.3 per cent., in August. The detailed comparisons are as follows:—

Aggregate value of 387 representative securities on Sept. 29, 1910	£3,646,304,000
Aggregate value of 387 representative securities on Aug. 20, 1910	3,656,635,000
Decrease	£10,331,000

The further decline in Consols was again a factor, British funds contributing £4,448,000 (0.6 per cent.) of the decline, though American securities

were a more important influence, declining £8,520,000, or 2.2. per cent. Home rails declined £893,000, or 0.3 per cent., while South African mines improved £217,000, or 0.3 per cent. The monthly index figures of the current year to date are:—

January	£3,709,000,000	June	£3,692,839,000
February	3,717,000,000	July	3,667,034,000
March	3,713,574,000	August	3,656,635,000
April	3,726,464,000	September	3,646,304,000
May	3,716,915,000		

Affairs in London.

(Exclusive Correspondence of The Chronicle.)

London's View of the Street and Power Merger—The Cotton Bill "Difference of Opinion"—International Complications over the Turkish Loan—The Aftermath of the Rubber Boom—Rumours of Large Insurance Combine.

Much interest was taken in the particulars given in THE CHRONICLE respecting the threatened Montreal Street Railway and Power "deal." In London it is not thought probable that the Canadian Power Company will be successful in obtaining control. The rise in the price of Shawigan stock is thought to point to a resumption of the negotiations for amalgamating that company with the Light, Heat & Power Company. In these matters, however, we are largely dependent upon such information as filters through various quarters from Montreal, and nothing definite is known by the Stock Exchange.

The Cotton Bill "Difference of Opinion."

The money market is obviously puzzling some of our financial authorities. It is the "difference of opinion" between the European and New York bankers over the cotton bill matter which complicates the outlook. The New York bankers do not appear to be in any mood to give way, and when I say that every important European bank was represented at the recent London conference, it is not likely that gathering will change the attitude it has taken up and twice confirmed. The British commercial man cannot understand the New York attitude in this matter. The British banker is asked to finance bills, which have previously proved fraudulent, and he requires a guarantee. The difference between the two groups of bankers may be put in juxtaposition thus:—

WHAT THE EUROPEAN BANKERS REQUIRE.

WHAT THE AMERICAN BANKERS OFFER.

That in the case of drafts drawn upon the banks against bills of lading for cotton negotiated through exchange buyers in America, the banks will decline from October 31 onwards to accept against the bills of lading relating to such drafts unless the genuineness of the bills of lading, both as to signature and as to possession of the cotton by the carrier at the time of issue, be guaranteed by such exchange buyers to the satisfaction of the bank concerned.

Starting from Sept 1 all the principal American Railroads carrying cotton for export have commenced a new system by attaching to the bills of lading a validation certificate to the effect that the agent signing the bill is the duly authorized agent of the company, and that the signature on the document is genuine.