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CREATING SUSPICION.

Liquidation has been the outstanding feature of the Canadian securities markets in the past week, but it has been possible to trace a part of it at any rate to outside influences. The great international markets have all been depressed—New York, the one which exerts the most powerful influence on our market, has been subject to a quite violent reactionary movement. However, while happenings outside the Dominion are in some measure responsible for the declines seen in Montreal and Toronto, it is nevertheless recognized in the street that the various breakdowns or partial breakdowns of recently organized or consolidated Canadian industrial concerns have also contributed in no small degree to stimulate the selling movement in the home market. These unfortunate affairs are now receiving very full discussion in the Canadian and the British press. With reference to a number of them we cannot excuse ourselves by saying that the ventures were obscure or not vouched for by respectable parties. Some prominent financiers and prominent institutions participated in the flotation of the large concerns which are now so unpleasantly conspicuous. That being the case we have to expect that the British investor will be inclined to look with more suspicion upon the statements made by our company promoters when launching important new industrial or other enterprises.

LITTLE ACTIVITY LIKELY.

In the long run it will be the better for us to have the prospects of new companies or of new consolidations subjected to more severe analysis. For the time being it is scarcely to be expected that there will be much activity in forming or organizing new companies. Circumstances are not now favorable for the company promoter. It is to be hoped that when he resumes his work the lessons of the industrial breakdowns of 1913 will not be forgotten.

The money markets have been somewhat unsettled. Rates have not hardened in Canada. As a matter of fact the news from Toronto is to the effect that some call loans which had been carrying 6½ p.c. were this week put down to 6. So the general call loan rate may be put at 5½ to 6 as heretofore, and commercial discounts still rule at from 6 to 7 p.c. However, the New York money market has stiffened up and that may have some effect on our situation if the hardness now developing lasts for any time.

EUROPEAN DEVELOPMENTS.

The South African gold arriving in London this week amounted to $3,750,000. Bank of England rate is maintained at 5 p.c. In the London market call money is quoted 3½ p.c. Short bills are 4⅞ p.c.; and three months' bills 4¾ to 4⅞. At Paris bank rate is 4 and private rate 3¾. And the German bank rate is 6, while 4⅞ is quoted in the market.

London and the other European markets have been disturbed over the turn of events in Mexico. General Huerta's action in imprisoning over 100 deputies is taken as evidence of his desire to play the dictator and also as evidence that he is probably losing his grip. Consequently there is an increasing disinclination on the part of the American and European governments to accept the results of the approaching elections as final. Much as the Wilson administration dislikes the prospects of intervention by the United States, the developments of the last ten days in Mexico appear to point in that direction. So far London has been more sensitive than New York to unfavorable developments in Mexico.

NEW YORK POSITION.

Call money in New York at the close of the week is quoted 3¼ to 3½ p.c. Earlier in the week it was as high as 5 p.c. Time loans are weaker: Sixty days, 4¾ to 5; ninety days, 5 p.c.; and six months' 4¾ to 5 p.c. The clearing house institutions—banks and trust companies combined—reported a substantial increase of surplus reserve in their Satur-