

embarrassed bankers and syndicates found themselves called upon to discharge the loans contracted to underwrite and hold the industrial shares. They were compelled, therefore, to realize either on their industrials, which were depreciated and practically unsalable, or on their investment shares, which were at least salable at a price.

That this explanation has more or less force cannot be denied, but it is not all. Quite aside from the necessities of borrowers there was a further reason for a decline in the fact pointed out in these columns a short time ago, that the returns from investments in these stocks were extremely low, 1 per cent. indeed, while, at the same time, time loans to corporations in the highest credit placed for a year or more commanded 6 per cent., while merchants and manufacturers in perfectly good standing were borrowing on their notes at an even higher rate.

Capital under these conditions was certain to flow to the quarters where the most profitable investments could be secured. To emphasize this tendency there was a further inducement in the knowledge that other large security issues were about to be offered. For instance, when the Pennsylvania Railroad offered its own shareholders a large block of new shares at 120, their old shares, which had been listed at 157, were rapidly thrown on the market, and sold down to 120 to secure the funds to buy in the new. The fate of the Pennsylvania led to the postponement of other issues that had been contemplated, but the knowledge that their issuance was impending was certainly a factor in increasing the shrinkage.

A further factor that has been given much prominence is the bear element. Bear raids, bear manipulation, pressure by the bears, are phrases constantly in use in the papers. But what is the actual position of the bear in the market? He sells stocks he thinks are going to decline that he may buy them in later at the bottom price, just as the bull buys in stocks he thinks are going to rise in hopes of selling out at a higher figure. Both are incidents rather than causes of market fluctuations, and serve more to intensify and prolong fluctuations which are primarily due to other causes. In times of panic the bear certainly has a disproportionate influence, but as he must subsequently buy in the stock he has sold short the ultimate tendency of his completed campaign is to restore the equilibrium he has helped to disturb.

CURRENT BANK NOTES.

The Sovereign Bank has opened a branch at Frelighsburg, Que.

A branch of the Bank of Hamilton has been opened at Ripley, Ont.

The Royal Bank of Canada has established a new branch at Edmundston, N. B.

The Sovereign Bank has opened another branch in Ottawa, on Clarence street.

A branch has been opened at Preston, Man., by the Bank of British North America.

The Bank of Nova Scotia will shortly open branches at Calgary, Fort Saskatchewan, Vancouver and Wetaskiwin.

On November 2 the Bank of Hamilton will open its second branch in Toronto, on the corner of Queen and Spadina.

The Bank of Montreal has opened branches at Brandon under the charge of Mr. W. Watson, and at Indian Head under Mr. R. M. Napier.

The Bank of Ottawa has opened a branch at Buckingham. J. K. Lough, of Ottawa, has been placed in charge for the present.

It is said that the Eastern Townships Bank, Bank of Toronto, and the Union Bank of Canada are to start branches at the coast. All three will start either in Vancouver or Victoria, or both, and Eastern Townships will also probably locate another branch at Nanaimo. The Dominion Bank officials have decided not to open any branches at the coast at present.

WHEN you turn the life insurance agent away with the promise of next week, next month, or next year, do you ever reflect how uncertain it is whether he can do you any good? asks Insurance Age. In the first place you may not be alive when the time comes. In that case the business is settled once for all. But if you are, and want the company, the company may not want you. Any one of a thousand things may turn up to disqualify you as a risk. That cough may return or exposure may have weakened you, or disabling accident may have come. Or, added to an already none too good record, some of your near relatives may have been carried off by a prejudicing malady. A life company is a pretty exclusive sort of club. It doesn't take much to get you blackballed there. It is a good day when the man and the company both conclude they want each other.

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