floated in connection with these industrial consolidations. THE CHRONICLE has on several occasions expressed the opinion that the merger business was over done. And it is not a matter for regret that the prospect is for a lessening of our activity in this direction.

AUTUMN MONEY AND THE INTERNATIONAL MARKETS.

The opening of the autumn quarter of the year finds the money markets of the world in an extremely interesting and, in some respects, puzzling position. In many ways circumstances are abnormal. There is the deadlock over cotton bills of lading; the curious position of London choked up with unmarketable rubber shares; the political developments in the United States and the abnormal situation in that country's foreign trade; the stagnation on all the chief stock exchanges of the world. The last is, possibly, a result of the extraordinary rate of creation of new securities in the first half of this year; whether it is also in the nature of a calm before the storm or is the precursor of important developments remains to be seen.

The rise to 5 p.c. in the official rate of the Imperial Bank of Germany last week may be briefly dismissed as an entirely normal movement at this time of year. There is always an end of September squeeze in Berlin, and outside the country the advance has no great significance. The same may be said of the change in the Brussels rate. With the rise to 4 per cent. in the rate of the Bank of England the case is different. Four per cent., we are reminded, is a fairly high rate in London at the end of September—it has only been recorded on four occasions in the last twelve years, and one of those years was 1907, when the New York panic was looming up. At the same time the move is capable of normal explanations. London has lately been losing gold heavily—$8,500,000 in one week while $6,800,000 more was exported on Saturday. In part these demands upon London are entirely healthy signs. Demand for outside help from Egypt and from India are an indication that the crops in those countries have attained very satisfactory proportions, and these demands come with greater or less force annually. In the same way, the ability of Russia to draw heavily upon London at the present time is due to the fact that she has been able to make large wheat exports owing to the favourable crops of last year.

The fact that the Bank of England directors raised their rate by the full one per cent. has caused some surprise and, on this side, searchings for what may perhaps not improperly be called ulterior motives. There is one obvious explanation, that the directors wished to avoid by timely action the inconvenience which resulted last year from the doubling of the rate from 2½ p.c. to 5 p.c. within 15 days. Whether their action was sufficiently timely remains to be seen; according to the cables there is already some talk in the London market of a 5 p.c. rate owing to the demands for gold from abroad. "Unless," says a correspondent of the New York Evening Post, "the Bank gets this month's South African gold consignments, a 5 per cent. rate within a month will be inevitable; for the demand for gold by Egypt, Turkey, India and Russia continues heavy, while Brazilian engagements are in sight for the later weeks of the year." The Bank was successful in securing the Cape gold which arrived in London on Monday. The Bank's position does not appear to be unduly weak, and this lends colour to the supposition that the move in the rate last week was at least partly in the nature of a warning to would-be borrowers, that if they insist on going to the London market under present circumstances they must expect to pay high prices for their accommodation. This week's London advices show that the enforced period of quiet in the matter of new issues in London is now coming to an end and that bankers, in Paris as well as in London, are likely soon to have their hands full with projected new loans.

A matter which introduces a considerable amount of uncertainty in regard to autumn money is the deadlock between the English and Continental bankers on the one hand and the New York bankers on the other with regard to the guaranteeing of cotton bills. What is likely to happen does not yet appear. It is stated on the one hand on behalf of the New York bankers that they can finance the cotton crop without having recourse to London. Should they do this successfully it would, of course, have a modifying effect upon rates in London, an effect which would be accentuated also, if a continuance over a prolonged period of English labour troubles induces dullness in British trade generally. But even if New York bankers are able successfully to manage these operations in cotton, it will mean that the cash thus employed will be unavailable for some other branch of industry which possibly may be compelled to go abroad for its accommodation. English advices state that it is considered in London that under the new cotton *régime* a good deal of cash will have to be remitted from England to New York. It is possible, of course, that some *modus vivendi* between the parties will yet be reached, though the outlook for this at present is not very hopeful. So that the likely course of events in this matter is not at all clear, and, al-