

markets has a tendency to make money dearer in the Dominion. Our municipalities and corporations, of one kind and another, are not able to count upon placing bonds and debentures abroad while conditions are so unsettled and the great European state banks putting up their official rates. One consequence of this state of affairs is that our would-be issuers of new securities are driven to apply to the chartered banks for temporary loans. And, as these requests cannot well be denied in many instances, the funds that would otherwise be available for private borrowers are in part absorbed.

Notwithstanding the absorbing interest of the federal election, the Street found time to note the satisfactory shipments of ore from the Cobalt mines recorded this week. The shipments totalled 663 tons, this being the second largest amount shipped in any week this year. The Cobalt market was also cheered by the announcement that the La Rose directors are to call a meeting for the purpose of making a distribution of a part of the surplus cash in the company's treasury. The action of Nipissing Mines in declaring the customary bonus served to reassure some who expected that the recent decline meant the immediate cutting off of this bonus.

CANADIAN NEW ISSUES AND THE LONDON MARKET.

For a period of two months not a single Canadian issue of new securities has been publicly made in London, and in other departments of the London market there has been for many weeks similar inactivity on the part of promoters and issuing houses. The record kept by the London Economist shows that whereas the aggregate of public issues made in London during the first six months of this year was £118,128,814, by the end of July this total had only been increased to £130,033,744. The latest figures available, which bring the record up to September 9, are £131,113,698. So that there has been a very pronounced falling-off in this connection since the end of July. The prevalent dullness in London is further illustrated by a fact mentioned by our London correspondent this week, that for a fortnight prior to his writing, not a single public issue of any kind had been made in London—a state of inactivity for which to find a parallel it would probably be necessary to go back many years.

The causes which have resulted in this condition of affairs are numerous. In the first place it would appear that the present inactivity is due to the fact that many securities which have been issued recently have not up to the present been finally absorbed. For several years past, the applications for new capital in London have been on a very extensive scale. For the five years to the close of 1910 public issues alone of new capital in London, according to the record of the Economist, reached £885,000,000. The culmina-

tion of this outpouring of new securities, due in the main to the opening-up upon an unexampled scale of new countries and industries, was attained last year with the unprecedented total for the year of £267,439,100 new public issues.

No less than £188,000,000 of these issues were made in the first six months of 1910, at a time when the absorbing power of the old-country investor was seriously crippled by his commitments in rubber and other speculations. It will be in recollection that there was subsequently an agreement among London financial houses accustomed to handling Canadian securities not to make any further issues until those already on the market had been absorbed. The activity, however, was resumed this spring. In the months of March, April and May numerous Canadian public issues were made in London.

The result of this revival was that underwriters were in a number of instances compelled to take up a large portion of the offerings. Thus in the case of the City of Winnipeg loan in May, underwriters were forced to take up 73 per cent. of the £900,000 offered; in the case of other and more speculative offerings, the results were even worse, the non-success not being confined to Canadian issues but extending to every class of security. So that another pause was due in order to allow time for the digestion of these offerings.

But the position has been complicated for both public offerings and for the private transactions which form so important a part of the machinery by which British capital is imported into this Dominion, by subsequent events. In Great Britain, there has been a grave constitutional crisis; for many weeks, a great European war has threatened; and throughout Europe there has been an unprecedented series of labor disturbances, which have in one or two instances threatened open revolution. It is entirely natural that in such circumstances, capitalists should decline to enter into new commitments. Additional to, and in part resulting from the international complications and unrest mentioned, is the continued fall of British Consols to a level unparalleled in modern times, and the financial difficulties which have arisen therefrom, necessitating the diversion of capital, which might otherwise be available for the absorption of new securities, for purposes of writing down reserves and the provision of props for the financial structure. And it is also to be supposed that in the case of Canadian securities in particular, the London financiers have been awaiting the outcome of the political struggle before arranging new undertakings. In these circumstances it cannot be considered surprising that the city of Montreal's proposed loan was not favorably received at the present time, more especially as the amount, namely \$7,000,000, is rather a large sum to place on the market at one time.

That time will be required to rectify the effect of the occurrence mentioned is evident. Happily, so far