

THE SITUATION AND THE OUTLOOK I.

STOCK EXCHANGE AND INVESTMENT BUSINESS

Unusual Speculation Last Year is Affecting Conditions —Canadian Interest in New York Stocks Has Declined

In one week recently thirty-four stocks on the Montreal Exchange made new low records for the year. This is but one indication of the condition of stock exchange business. Investment is at a low ebb, and brokers and financial houses have plenty of time to study the causes of the present lax period in investment spheres.

In response to enquiries, a large number of stockbrokers have given their opinions of the situation to *The Monetary Times*. Several blame real estate speculation as one of the chief causes for the diversion of funds from the usual investment channels. Most of them agree that the financial stringency will continue throughout the greater part of the year, and that relief will not come until the autumn at the earliest.

It has been stated that Canadians have of late years taken less interest in the New York market. *The Monetary Times* has asked leading brokers as to the truth of this assertion. They are all of the opinion that the tendency for Canadian investors to place their funds in New York stocks is declining. Messrs. Colin M. McCuaig and Company, of Montreal, think that the decline has been marked in the last year, and that the volume of trading with New York by them is very small. The attitude of the investor to Canadian stocks appears to be "standoffish," and they are evidently waiting for a clearing of the political situation and financial stringency.

Exhaustion of Liquid Capital.

Messrs. F. B. McCurdy & Company record the fact that for months past the tendency of speculation, first in real estate, and second in weak ventures promising high rates of interest, has diverted large sums of money from the ordinary channels of investment.

These speculative orgies, which always immediately precede a period of readjustment, such as exists at present, and which promises to continue for some time, gained increasing headway until the exhaustion of the liquid capital of the country prevented further unwarranted inflation and compelled liquidation.

The bond market, which has been practically non-existent for some time, does not yet seem to show any sign whatever of improvement.

Money is Locked Up.

There is no doubt, say Messrs. McCuaig Bros. & Company, Montreal, that the percentage of population investing in securities is increasing, but not at a very rapid rate, owing to the recent real estate booms that took away a lot of interest from the security markets. At the moment, things are more or less at a standstill, as there is a great deal of money locked up in various forms of investment, and even the people who have money are inclined to adopt a waiting attitude. The tendency for Canadian investors to invest in New York stocks is diminishing, and the same applies to speculative commitments.

"We take," conclude this firm, "what is practically the general view, that market conditions will be stagnant until money loosens to some extent. As to the latter tendency, we hardly look for any immediate relief before the end of the year, although we believe that the curtailment of business generally will result in releasing a certain amount of money gradually during the autumn, but this will probably be largely offset by the amounts required to bring forward the crop."

Tight Money Will Continue.

Private investors are still accumulating stocks in the Canadian market, and there seems to be very little disposition on their part to liquidate at the present time. That is the opinion of Messrs. J. C. Mackintosh & Company, Montreal. Canadian investors' interests in the New York market have decreased. With reference to money conditions, funds are available in small amounts, from time to time. The situation does not seem any more improved than it has been during the past six months. The consensus of opinion in banking circles seems to be that there will be no material relief until after the turn of the year, and if money conditions remain the same throughout the next two or three months lower prices for Canadian securities are likely to be seen.

In the opinion of Messrs. Oswald Bros., Montreal, the better class of Canadian stocks are being absorbed by in-

vestors. There are some unsold securities, particularly those of recent mergers, which are hanging over the market, but the amount of these is not very large. The experience of this firm would indicate that there is less interest taken in United States securities in Canada than formerly. This is no doubt due to the attitude of the United States government to corporations.

Money is still tight in Canada, and no doubt the crop moving period will add to the strain, but provision for this will be made by the banks and no great trouble should be caused.

Dependent on Money Markets.

The country's financial, industrial and commercial affairs are at present quite dependent on the condition of the world's money markets, say Messrs. Greenshields & Company, Montreal. There is at present a larger world-demand for money than can be supplied. We see no immediate hope of any relief in the local money market, either this summer or next fall. It seems to us that in general there is little outlook for an adequate supply of money for a year or two at least. Progress must, therefore, proceed at a much restricted pace.

That firm finds that the private investor in both Canadian stocks and bonds is multiplying in number. This is particularly true of the so-called small investor.

Interest of Canadian stock investors in the New York market has steadily decreased. The only inducement which the New York market can give lies in the fact that the market is broader. The average New York stock is, therefore, more liquid in large amounts. This only affects the investor in large amounts and the speculator. With the eventual growth and breadth of the Montreal market the business done in New York will, they think, be very small, indeed.

The money conditions outlined must affect the stock market as they should affect general progress. One can only look for activity and a rise in individual stocks where affected by specific conditions. The general average level of the market will not likely show any great appreciation in the next twelve months.

Next week: II. "Life Insurance Business Prospects."

BRITISH COLUMBIA'S PRODUCTS

The estimated wealth production of British Columbia for 1912, as given in the annual Budget of the Provincial Treasurer, is:—

Mines, \$32,600,000.	Lumbering, \$19,000,000.
Agriculture, \$22,000,000.	Fisheries, \$13,678,000.

CANADA'S TRADE GROWING

During the month of April the total trade of Canada increased by over 18 per cent., from \$59,284,480 in April, 1912, to \$70,505,160 in April, 1913, while the exports of domestic merchandise increased by no less than 60 per cent., from \$15,676,989 in April, 1912, to \$22,016,880 in April, 1913.

The imports increased from \$45,607,491 in April, 1912, to \$48,488,280 in April, 1913, or by 6 per cent. The duty collected increased from \$7,860,759 to \$8,463,576.

The most noticeable increase in exports is in agricultural products, which have nearly doubled, from \$5,936,313 to \$11,365,018. Manufacturers also went up from \$2,601,537 to \$3,478,598.

COBALT ORE SHIPMENTS

The following are the shipments of Cobalt ore in pounds, for the week ended June 6th:—Cobalt Townsite, 87,405; City of Cobalt, 75,400; Buffalo, 66,360; Trethewey, 47,914; Hudson Bay, 82,591; O'Brien, 64,112; McKinley-Darragh, 61,229; Nipissing, 77,520; Cobalt Lake, 64,410; Coniagas, 142,640; Beaver, 54,373; total, 823,963 pounds or 411 tons. The total shipments since January 1st are now 17,449,782 pounds or 8,724 tons.

In 1904 the camp produced 158 tons, valued at \$316,217; in 1905, 2,144, valued at \$1,437,106; in 1906, 5,835 tons; in 1907, 4,850 tons; in 1908, 29,360 tons; in 1909, 29,941 tons; in 1910, 34,041 tons; in 1911, 25,089 tons; in 1912, 21,509 tons.