they have considered mortgage investments, chiefly large loans on central city property. On the other hand it is stated that British companies which formerly loaned in large sums are now splitting these amounts and are going in for smaller farm mortgages.

SIX MONTHS' CAPITAL APPLICATIONS IN LONDON.

Their Total over £120,000,000, of which Canadian Demands were One-Sixth—Market has Run Dry and Needs a Rest.

Applications for new capital in London during the first six months of 1913 reached over £120,000,000 according to the compilations of the London *Economist.* The exact figure is £120,359,600 comparing with £110,343,600 in the first half of 1912, £117,483,800 in the corresponding period of 1911 and £188,077,000 in the corresponding period of 1910. The total for the whole of 1912 was £210,850,000, for 1911 £191,759,400, and for 1910 £267,439,100. The high figures for 1910 were due to the rubber boom.

MARKET RUN DRY.

In the last few weeks, observes the *Economist*, the issues have fallen off very much, but the slackening is not because borrowers are the less eager, but because the capital market for the time being has run dry. For several years the rate of interest offered on new securities has been rising, but still the flood of new loans has continued, borrowers being willing apparently to pay almost any price for accommodation. In spite of the very tempting rates of interest, however, many really first-class securities have been left on the underwriters' hands to the extent of 80 or 90 per cent., and this has had its natural result. The underwriting market is not a large one, and the failure of a few big loans soon brings congestion. There is no obvious source from which the supply of capital may be replenished. Money is being withdrawn from trade at the present time, it is true, but this factor has more influence on the "short" loan market, with which the capital market is only connected indirectly, and the slowing down of trade has been caused largely by the pressure of money rates for the last eight months.

It is quite probable, therefore, that the second half of this year may see a falling off in the applications for new capital, but even so the total can hardly fall short of 180 millions, which, compared with the years prior to 1908, is a very high figure.

CANADA'S SHARE OVER £20,000,000.

The colonies which have been the chief borrowers are Australia and Canada, who have taken 32 out of 43 millions for all the colonies, while Brazil, Russia, and China are the largest foreign borrowers. Details follow:—

	First Half of Year 1911. £	First Half of Year 1912. £	First Half of Year 1913. £
United Kingdom—total.	16,677,000	24,159,400	20,324,400
British Possessions—			
Australasia.	3,157,500	4,201,900	11,996,400
Dominion of Canada	19,784,500	14,978,600	20,437,400
India and Ceylon.	4,904,300	3,225,500	3,457,000
South Africa.	3,794,500	2,695,100	5,439,100
Other British Poss'ns.	3,936,000	2,831,100	1,672,700
Total	35,576,800	27,932,200	43,002,600
Foreign Countries Total	65,230,000	58,252,000	57,032,600
Total for first half-year.	117,483,800	110,343,600	120,359,600

EFFECT ON EXPORT TRADE.

There is no doubt, continues the *Economist*, that the huge volume of our export trade in the last few years is largely due to the big capital applications in London. Capital does not go abroad in the form of cash (nor in the form of bonds, "weighing down Atlantic liners"). The British investor in return for his money gets the paper of the borrower, but the borrower takes the capital abroad very largely in the form of machinery or plant. This creates a larger demand in home trade, and stimulates extensions of works. The whole result is a great increase in the amount of capital locked up in fixed assets, both at home and abroad. Capital is not elastic, but credit supplies this property, and enables a certain supply of capital to be extended over a large area. There is, however, a limit to the amount of this expansion, and we appear to have reached the point where further withdrawals of capital from the floating supplies will leave an insufficient margin for trade requirements. The capital market must be given a rest, if possible. There are, however, so many enterprises in various parts of the world which require the expenditure of more capital to bring them to their reproductive stage that their promoters are faced with the necessity of spending more, or seeing that which they have already spent depreciate very heavily.

RISING RATES A SAFETY VALVE.

Governments and borrowers for industrial purposes have committed themselves to expenditure which they can only meet by applying to the capital markets of the world, of which London is by far the most important. The rising rate of interest is the safety-valve which should curb the demands, but with many borrowers "money at any price" seems to be the cry, and the strain on the capital market becomes correspondingly increased. One thing is certain, and that is, the inability of this country to continue indefinitely to provide 200 millions sterling per annum for permanent investment, and when supplies are cut off from the countries which have been relying on a continued flow of borrowed money to complete their industrial development, a general curtailment of that development and the unreal activity produced by it must occur.

CANADIAN ACCIDENTS DURING MAY, 1913, BY INDUSTRIES AND GROUPS OF TRADES.

Trade or Industry.	Killed	Injur'd	Total
Agriculture	4	3	7
Lumbering	5	7	12
Mining	9	11	20
Railway Construction	8	3	11
Building Trades	4	32	36
Metal Trades	9	97	106
Woodworking Trades	1	11	12
Printing and Allied Trades	2	1	3
Clothing	...	5	5
Textiles	1	7	8
Food and Tobacco preparation	...	1	1
Leather	...	1	1
Transportation—			
Steam Railway Service	8	81	89
Electric Railway Service	2	12	14
Navigation	14	8	22
Miscellaneous	4	29	33
Public Employees	4	15	19
Miscellaneous Skilled Trades	6	22	28
Unskilled Labour	7	40	47
Total	88	386	474