transactions, and that when a depositor employs the Post Office as his agent he stands to gain or lose by the transaction just as he would if he engaged a stock-broker to do the business for him. The State guarantees a fixed dividend on the investment, but it is not responsible if there is a fall in price berween the dates of purchase and sale." This new venture suggests to the London Economist the desirability of again urging the advantages of the French over the English system of transfer of government stocks. It is pointed out that over seven years there has been in French Rentes an outside variation of 4¼ points while in Consols there has been a difference of 14 points. "If France," says the Economist, "throughout this period had been free from labour troubles and the ravages of Socialistic legislation, there might be an easy explanation of the steadiness of her Rentes. But, in point of fact, the last ten years have been marked by big labour wars, riots, and strikes, and the Government has for the most part been in the hands of Labour representatives and advanced Radicals. The secret lies not in the method of government, but in the investing habits of the poorer classes, and the French capitalist may thank his Government for supporting him with the best market in the world—the thrifty, saving labouring man. For in France, not merely is the poor man encouraged to invest his money directly in Rentes, but the savings banks are forced to keep at least 75 per cent. of their assets in this form. This regulation, of course, lends great stability to the market, and the German Government has tried by official pressure to force the German savings banks to take the same course. But most of the German banks keep only 30 per cent. in Government securities, and it is only in Alsace-Lorraine that the 75 per cent. is a common ratio. Thus the French Government is supported at every point by the poor investor, and it is because our own Consols want support of the same kind that we welcome this new experiment of the Postmaster-General."

Affairs in London

(*Exclusive Correspondence of The Chronicle*).

Extraordinary Absence of New Public Issues — Post Office and Purchase of Consols: The Prelude to a Public Investment Broker? — The Position of Trust Companies. — English Companies in Continental Europe.

There has not been even one issue of new capital advertised during the past two weeks. I cannot remember any previous instance of this. Even during the gloomy and depressing days following King Edward's death there was one prospectus, the issue of which it was too late to cancel.

The Prelude to a Public Investment Broker?

The issue of a special leaflet by the Postmaster General, giving information regarding the facilities afforded by the Post Office Savings Bank for the purchase of Consols in small quantities, has aroused curious speculations. One is that it may be the prelude to the establishment of a Government Department through which the public may buy and sell stocks and shares. When the office of Public Trustee was first suggested there was a great outcry among banks and insurance offices who thought the new government department would take away a large amount of business from the banks and insurance companies. In practice, however, it has been shown that the Public Trustee mainly relieves the private individual of a great deal of worry and responsibility without affecting the business which accrues to banks in the realization of assets. So it may be that the establishment of a Public Investment Broker would encourage a large new class to invest their capital in trustee securities and would not detract in any way from the business which at present goes to the Stock Exchange. Any government department which might be established would naturally confine its business to investment (probably its powers of action would be limited to trustee securities) and it would have to be run on business lines; that is, it would have to pay its way in the same sense that the Public Trustee does at the present time. The suggestion is probably some years ahead of the actual event, but that we are rapidly drifting toward State control in all matters which directly concern the public welfare is quite clear.

Position of Trust Companies.

As a result of the heavy decline in most investment securities it is only natural that we should look for a big depreciation in the price of investment trust companies' stocks. But the fall is not a very large one; indeed it is surprisingly small. As a matter of fact, the depreciation in the value of investments during the past few years has been of service to trust companies since it has enabled the directors and managers to get rid of stocks which are of doubtful calibre and re-invest in first-class gilt-edged securities at ridiculously low prices. The proportionate yields are much higher on this class of security than a few years ago, and consequently the nett profits obtainable by the trust companies are better. In addition, many of the trust companies have large holdings in tea and nitrate companies and both these classes of securities have advanced in value, to say nothing of the large sums in Canadian issues, all of which stand at appreciably higher figures than a few years ago.

British Companies on the Continent.

In the early days of the Companies' Acts when capital in continental countries was not so plentiful as it seemingly is to-day there were several companies formed to acquire concessions for public utilities in continental cities. Thus, the gas lighting of Vienna is in the hands of an English company; also the water supply of Antwerp, etc. Both the concessions mentioned shortly expire, and it is not a matter for surprise that the authorities of these important cities have made arrangements to buy them out. As both companies have a substantial amount of issued capital, it will be necessary for the respective boards of directors either to seek fresh concessions elsewhere or to return the capital to the shareholders.

Londoner.

London, E. C., September 9, 1911.

OPENING OF A NEW INSURANCE BROKER'S OFFICE.

As announced elsewhere in an advertisement, Mr. David Burke has opened an office in the Lake of the Woods Building, Montreal, and is prepared to handle all classes of insurance. He has been appointed one of the special agents of the North British & Mercantile Insurance Co. Mr. Burke's long experience in insurance business should influence quite a clientèle to him.