

tors in particular stocks. This policy is undoubtedly for the good of the investment situation in this country; and for the good of the speculative situation also, though some speculators may not think so.

Signs of Dearer Money for New York.

In New York, too, signs of dearer money are not absent. Call money is quoted at $1\frac{3}{4}$ to 2 per cent.; sixty days', $2\frac{1}{4}$ to $2\frac{1}{2}$; ninety days', $2\frac{3}{4}$ to 3; six months', $3\frac{1}{2}$ per cent.

By last Saturday the associated banks had increased their loans \$26,300,000, and their cash \$5,400,000, with the result that the surplus decreased \$2,700,000. It now stands at \$15,271,025. Trust companies also increased loans \$2,000,000. It appears plainer now that there was considerable distribution of long stock under cover of the activity of ten days ago; and no doubt, some strong interests having disposed of a good part of their holdings, will be in favour of lower prices for securities. It is to be remembered, in the same connection, that the monetary institutions have been this week preparing for the heavy dividend and coupon disbursements of the 1st July. The process will be continued next week, and a great deal of such special firmness as the money market exhibits will be due to that circumstance.

After the operation is concluded there is the prospect of a relapse in interest rates, for a time at any rate. But it will not be long before the harvest operations again affect them.

Canadian Offerings in London.

Canadian corporations continue to appear in the London market as extensive borrowers. Hardly a week elapses without some new loan being chronicled; and it is now certain that our aggregate of borrowings from abroad will approach the large total recorded for 1908, if it does not exceed it. There is room for some thoughtful questionings as to what will be the outcome of our extensive financing. It may be admitted, of course, that the new capital will build us up wonderfully, and increase our productive capacity to an enormous extent. But one question which has been debated scarcely at all is this: What will happen when the volume of our foreign borrowings undergoes a sudden shrinkage? If we receive \$200,000,000 this year on the head of about the same amount last year there is some danger of our financial and industrial establishments adjusting their machinery to the scale of a regular influx of that amount or more, each year. A material diminution of the influx, from any cause, might, therefore, produce a very considerable depression or relaxation. Doubtless it will be supposed that this question is not for 1909, but for the indefinite future.

THE NEW OGILVIE COMPANY ELEVATOR at Fort William is to be commenced immediately. This will make six new elevators in progress or contemplated at that point, and will bring the combined elevator capacity of Fort William and Port Arthur up to 30,000,000 bushels.

Calgary hopes to have a \$600,000 elevator soon—its total capacity to be 1,000,000 bushels, with preparation for quarter that amount by the coming fall.

Our London Letter.

A PAUSE IN THE LONDON MARKETS.

Turning Paper Profits into Hard Cash—Canadian Municipal Offerings well Received—Money Market Outlook—Revival in Shipbuilding—Insurance News—Special Correspondence of THE CHRONICLE.

There is a distinct pause in the Kaffir gamble. Market men came back from their Whitsun holidays, of which a good many of them stood sadly in need, prepared to find prices soaring again in the mad pre-Whitsun fashion. They soared—but for one day only; and now financial journalists are hanging out that sardonic headline "a healthy reaction."

The explanation of the pause is principally to be found in a widespread desire to turn paper profits into "hard cash," coupled, too, with fears that the next carry over may not be an altogether easy business. Reckless bulls carrying thousands of shares where they are not in a position to finance hundreds have made haste to reduce their commitments, and the fall of the last two days might easily have gone further if the Continent had not continued "on the feed" and had not the big houses come to the rescue. It is not their game to frighten the public by meteoric slumps, just as they are coming in. By many observers the position is said to be quite healthy; it is certainly better for the clearing out of the weak bulls. They were making the position a bit top heavy.

Some Canadian Happenings.

Barring the wonderful fireworks in the Yankee market and persistent depression in the important Argentine railway section, markets generally have been very quiet since the holidays. Consols have drooped; the business in Canadian rails has been quite meagre; while the power stocks have had a bad week of it owing to disquieting reports from Mexico. The whole group have been depressed in sympathy with Mexicans. Dr. Pearson has since sent re-assuring cables, but, like Canadian rails, the power stocks are suffering at the moment from the complete diversion of speculative activity out of its accustomed channels to South Africans.

The Asbestos' amalgamation, which has been arranged on your side, has been echoed here by the cabled intimation that the First Mortgage Bonds of the British Canadian Asbestos Company are to be paid off on July 1, at 105 p.c. As these bonds were issued only at the end of February at 95, the lucky people who then obtained allotments will receive a very substantial bonus on their short investment. A good deal of interest, also, in a quiet way is just now being shown in the shares of Bell's Asbestos Company, a London concern which formerly owned mines in Canada, and it is now announced has entered into a working agreement with the amalgamated companies on your side.

Calgary and Edmonton Lands shares have taken a new lease of life. Everybody here had come to regard the company as one whose work was done and having returned its capital to shareholders, would, in course, of time be decently wound up. Now we hear that a substantial tract of land has