

Affairs in London

(Exclusive Correspondence of The Chronicle.)

Competition between the London and Paris Markets —Mexican Northern Power Company—New London Banking Enterprises—Investment Corporation of Canada—All-British Shopping Week—Trade Movements.

The marked interest of Paris in the financial affairs of Canada is creating considerable interest in London because it is felt that apart from one or two groups London is not so strong in its relationships with Canada as might be desired. Glasgow and Edinburgh have been for many years the real issuing place of the great bulk of Canadian mortgage companies' debentures in the United Kingdom, and London has been principally the market place for municipal and government loans. Now that Paris has entered into competition with London it will be interesting to see how far that city is able to establish relations with the Dominion. For some time, Paris has competed considerably with London in respect to many Brazilian and Argentine issues, and up to this day there are many Argentine and Brazilian State loans which are unknown in London, but are freely marketable in Paris. When it comes to a real contest, however, London shows itself immeasurably superior, as was indicated only this week when the Rothschilds offered $4\frac{1}{2}$ millions of Brazil Government bonds and had to close the list after it had been open only a few minutes because the rush of applicants was so great. I understand that the loan was subscribed about $15\frac{1}{2}$ times over, that is about £60,000,000 to £70,000,000 was applied for. It is a remarkable testimonial to the power of the great house of Rothschild, for no one supposes that Brazilian credit would have alone evoked such a result had the loan not been backed up by a house of high reputation.

MEXICAN NORTHERN POWER COMPANY.

The prospectus is issued to-day of the Mexican Northern Power Company. Messrs. Sperling & Company are offering \$4,500,000 first mortgage 5 p.c. 30-year gold bonds at 90 p.c., and despite the attractive yield and the unprecedented periods over which instalments are spread (nine separate payments for a small bond of \$100) there is little likelihood of the amount being subscribed. For one thing, the present is not a propitious moment to issue a Mexican bond, and in the second place, the home investor is becoming a little tired of these constant issues of Mexican power enterprises. I am not prepared to argue whether the issue is a good one or not, but those are my impressions of the attitude of the investor at the present time, and I think it will be found that, so far as the public is concerned, the issue will not be subscribed.

NEW BANKING ENTERPRISES IN LONDON.

Several new banking enterprises are projected in London. The big profits made during the past ten years by the foreign banks in London are inducing other banks to open up enterprises in this country. There is a new Hungarian Bank, a Bolivian Bank,

and a French-Scandinavian Bank, each backed partly by British capital, and having the co-operation of several prominent London bankers. It is to be hoped that this increase in the foreign banking element will not affect the methods at present in use among bankers. The business of banking is one of the last, even if not the last, of the old conservative businesses which will have nothing to do with the "organisation" and "publicity" and advertising campaigns which are associated with some of their foreign and American competitors.

INVESTMENT CORPORATION OF CANADA.

I mentioned a fortnight ago a new Canadian investment company which was shortly to be issued. The prospectus is now appearing of the Investment Corporation of Canada, Limited, which has been formed for investing money in Canada on mortgages, etc. The authorised capital is £1,000,000 divided into £10 shares, and the present issue is to be for £500,000 at par, of which £300,000 has been already placed on the terms of the prospectus. The directors are Mr. Allan (of Glasgow), Captain A. Morrison, M.P., Lord Clinton, and Mr. A. V. Hambro. The Canadian managers are Messrs. Oldfield, Kirby and Gardner, of Winnipeg, and there is a Canadian board. The issuing house is Messrs. C. J. Hambro & Son, and no part of the issue has been underwritten.

THE ALL-BRITISH SHOPPING WEEK.

The All-British Shopping Week has proved so popular and is likely to have so potent an effect on British manufactures that I can hardly pass it over. This week has seen the whole of the leading shops and stores in the West End gaily bedecked with British flags and selling goods either "all-British" or "mainly British." Oxford street has been so packed with shoppers that it has been difficult for the ordinary pedestrian to get about. I have had the opportunity of several conversations with those who are at the head of this movement, which is quite non-political, and the results are beyond their expectations. The rousing of public enthusiasm for British goods has come late in the day, but not too late, and it is likely to give an enormous impetus to the manufacture of British articles throughout the country. Statistics are now being compiled in order to discover exactly the relation of the trade done during this week to that of the corresponding period of the previous year. If the result is satisfactory it is suggested that an All-British Shopping week should be held throughout the Empire. The essential feature of such a scheme would be the exhibition in the Oversea States of English-made articles, and the display in this country of the produce of the Dominions.

THE MOVEMENT OF TRADE.

The Board of Trade has recently published a summary of foreign commerce returns of various countries of the world in 1910. The following table shows in the first two columns the imports retained by various countries for home consumption, and in the second two columns the exports to a number of countries:—