

ditions, there is no doubt that the people in London, Paris, and Berlin, who have been unloading Americans, will be very anxious to re-purchase what they have recently been selling. Then, we may be sure, the American banking and financial magnates will interpose no opposition if the Wall Street list shows a strong tendency to rise.

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Call loans in Montreal and Toronto remain at the 6 p.c. level. Commercial discounts are from 6 to 7 p.c. It is quite probable that the well-rated commercial houses and industrial concerns in Canada are now getting bank advances on considerably better terms than are the business houses in the United States. It will be noted that the rate for 90 day time money, quoted above, is 6 p.c. Six per cent. is also given as the minimum rate in New York city for commercial paper. But the Canadian merchant should not suppose that his American brother can get his loans at 6 p.c. straight. There are various "frills" or "extras" pertaining to the business of lending money in the United States, which must be taken into account. For instance, the lending bank exacts a commission for each loan, whether the loan be for 60 days or 90 days. A commission of  $\frac{1}{8}$  p.c. on a 60 day loan would amount to an extra  $\frac{3}{4}$  p.c. per annum; and sometimes when money is tight the commission is more than  $\frac{1}{8}$  p.c. Then the American borrower is also required to carry one-fifth of the loan at his credit in current account free of interest. So, if he borrowed \$15,000, he could only use \$12,000 of the proceeds; and allowing for that fact and for the commission paid, his \$12,000 at present rates would cost him perhaps 8 p.c. or  $8\frac{1}{4}$  p.c. per annum.

#### CANADA AND THE LONDON MARKET.

Much interesting matter was contained in the interview given out by Mr. H. V. Meredith, general manager of the Bank of Montreal, on his return from a visit to England. In the old country itself, Mr. Meredith found that trade was good and he does not think there is anything in sight which would indicate a let-up in the general prosperity now enjoyed by the United Kingdom. As to British opinion regarding Canada, Mr. Meredith said:—

There was somewhat of a pronounced feeling a little while ago that Canada was going ahead too fast, that she was borrowing too largely and that a check to her prosperity might take place in the near future. This feeling, however, has to a considerable extent died out and every one with whom I came in contact or with whom I discussed Canadian affairs seemed to appreciate the fact that this country will in all probability, owing to her great legitimate development, be a frequent borrower in the world's money markets and that such borrowings will meet with a sympathetic reception. The fact, however, must not be lost sight of that there are other countries besides Canada seeking loans owing also to their great resources and marked development and to the world-wide commercial activity, consequently such being the case, until the swing of the pendulum in the other direction, which appears a remote possibility at present, higher rates will have to be paid if business is to be made attractive.

Mr. Meredith's statements confirm our own impressions that a good deal more attention than they are worth is frequently bestowed on this side upon sensational cables from England giving the views of someone or other of no great importance regarding the trend of Canadian affairs. Judging from some of these recent utterances, freely prophesying that Canada is "going too fast," and that we are "borrowing too rapidly," their authors are drawing conclusions from insufficient evidence or talking on a subject about which they have little or no first hand knowledge. No one at all personally familiar with Canadian conditions at the present time would be likely to utter some of the solemn foolishness which has been lately cabled over here in this connection. Admittedly we are borrowing very rapidly, but a main reason for that, is that the means Canada has at her disposal for development make for a more rapid advance than has been made before. Canada in these days is being developed not entirely by the hardy pioneer painfully dragging his way along the trail and the settler in his small clearing of primeval forest or tilling a patch of virgin prairie, but very largely by the railways and the plough whose motive power is steam or gasoline. Naturally the latter methods require more capital than the former, but it is equally true that they give quick results on a scale proportionate to the capital involved.

There is nothing in the Canadian situation at the present time in our view to warrant the jeremiads which come from time to time across the Atlantic. The country is enjoying a solid prosperity based upon legitimate development and expansion in every department of trade and commerce, and the outlook continues fair.

That some unfavorable signs are evident, notably the ridiculous lengths to which speculation in real estate has been carried in some quarters, and the general spirit of extravagance that is abroad, we do not deny. But these are not likely to have any vital consequences in the near future upon Canadian prosperity. The real estate "wild-cattin'" in the West is not now apparently so much in evidence as it was some time ago. Nor, in fairness should it be said, are Canadian themselves always entirely to blame when a real estate "wild-catter" gets hold of English money. If English people insist on purchasing at some obviously ridiculous figure, lots in the purlieus of some unknown western Canadian village merely on the strength of what the vendor chooses to say about them in a flaring advertisement in a London daily, they have themselves to blame very largely. There are many reliable means of information regarding Canada now open to the prospective investor in London, and there is little excuse for being hoodwinked by the "hot-air" artist.

That every effort should be made by Canadians themselves to prevent doubtful flotations is, of course,