

WORLD'S MARKETS TUMBLE AT COMPLICATIONS

**Stock and Grain Exchanges Reflect Fears of Big War—Canadian Stocks Misbehave—
Business Community Have Good Reason to Keep Friendly
With Commonsense.**

THE gravity of the European situation is obvious. As the statesmen of Europe have been unable to prevent war, it must be hoped now that their efforts to localize it will meet with success. When nations jealously are watching two disputants and considering their treaty engagements, the danger of general participa-

tion is pronounced. The diplomats of Europe recognize more to-day than ever the terrible waste, in many directions, and heavy cost of warfare. Diplomacy has shown its strength in recent years and has an unique opportunity now. A war in Europe will make its effects felt financially and commercially in every village, town and city in Canada.

"He who sups with the devil has need of a long spoon." He who has dabbled in the stock markets of late has had need of a long purse. Of all institutions subject to cold shivers at the will of no one in particular, and everybody in general, the average stock exchange occupies first position. The stock market is to some extent a guide to financial conditions, but not entirely. A man will walk into a wholesale house, and when undergoing the usual temptation to buy, he will remark: "Stocks are down, you know," nodding his head wisely. Ask him what stocks he holds, and the reply may be: "None." Too many people talk of the stock markets as they do of the weather. They know little concerning the fundamental conditions of either, and balance this lack of knowledge with much chatter. The stock exchange is a business institution, where securities are bought and sold. If shareholders care to throw their holdings into the cauldron of manipulation or reckless selling at any and every word of command, at the sign of international trouble, or at anything else, it is their own business. But such actions should not upset the equilibrium of the entire business community.

When a man holds a block of stock and the price is falling at a rapid rate, he hastens to sell. Multiply the example and there is panic. Those who have stocks on margin aggravate the affair. An orator, of sound sense and logic, might have stood on the Montreal and Toronto exchange desks and given good reasons why good stocks should not be sacrificed at the altar of nervousness. The brokers would have listened only to his text and then dashed again into the fury of selling. The extent of that fury is gauged roughly by the fact that at Toronto on Tuesday one could have bought in the excitement the same stock from three different brokers at three different prices. As the logical orator would not have been given a chance, and as the mental attitude of the stock exchange refused to absorb any logic, the president of the institution took counsel with his committee and closed the exchange. Thus he did by brute force what the orator would have failed to do by argument.

Despite the stock exchange panic, the farmers continue to grow wheat.

CANADIAN STOCK EXCHANGES CLOSED

Everybody Wanted to Sell and Prices Made Alarming Slumps

As a result of the European situation and other disturbing factors, the international stock markets this week collapsed. In London, Vienna, Paris, Berlin, New York, Montreal and Toronto, and at other points, stock and grain markets became demoralized. Everybody wanted to sell stocks and their prices slid down at a record rate. Wheat prices went up. Canadian Pacific stock, which has suffered in all markets of late more than any, declined twenty points on Tuesday. On that day, the two Canadian exchanges followed the example set by the Vienna Bourse on the previous Saturday, and closed their doors until further notice. Montreal did this after the morning session and Toronto closed fourteen minutes after the afternoon session had commenced. The action was required to prevent "the ruination of market values," and has been defended by the stock exchange officials and by bankers. There are some, however, who are inclined to believe that the better course ultimately would have been to let things take their natural course. "I like the London way," said an investor to *The Monetary Times*. "Let us take our medicine when it is prescribed. We must have it some time." The following are some comments on the Canadian stock exchange closing:—

Mr. D. R. Wilkie, president of the Canadian Bankers' Association, said:—"There is no occasion for alarm. The only securities to be affected are the foreign. Canadian securities will remain practically intact. Conditions in Europe

are far from normal, for which Canada is not to blame; further, Canadians do not take the lead, but simply follow. The Exchange was simply closed to give the members an opportunity of locating themselves in view of what has been happening recently."

President E. R. Freeland, of the Toronto Stock Exchange, said:—"The closing of the exchange was done purely as a matter of defence for both brokers and their clients. Our markets were deluged with selling orders from Montreal, as all their selling came here. When I saw how things were going I drew the committee aside and held a consultation, and we decided it would be best to close and give the brokers and all concerned a breathing spell."

Mr. F. Gordon Osler, ex-president of the Toronto Stock Exchange, said:—"It was impossible to trade on the market. Prices were not stationary for a second and the only thing to do was to close."

For Good of the Country.

Mr. John Pitblado, secretary-treasurer of the Montreal Stock Exchange, said:—"The prestige of the exchange was sacrificed for the good of the country. Never in the history of the local exchange did the threat of a general European war arise and the situation had to be met promptly and decisively. We did not propose to allow the Montreal Exchange to be made the dumping ground for the European exchanges, so closed down to await developments. Local houses are in a good position to meet all emergencies. Rumors which have been current on the street to the effect that a few firms were in an unsound financial condition are unfounded. I personally investigated one rumor to this effect last week and learned that the firm in question was not only secure, but in a position to assist others should emergency arise.