Our London Letter.

Idle Markets—A Sharp Fall in Grand Trunks—Some Canadian New Issues—A Banking Amalgamation—British Fire Insurance in 1909—Special Correspondence of THE CHRONICLE.

The week has been one of extreme idleness. Whether it is the traditions of a nineteen-day account or the fact that many members have found the making of prices at Ascot more profitable than in Throgmorton Street I am not prepared to say. But at a venture, I should be willing to wager that there have been more transactions during the week in some of the exchanges of the principal Colonial cities than within the portals of the London Stock Exchange. Much of the dulness may probably be attributed to the rubber boom. There is little doubt that some thousands of investors whose surplus profits would at the present time be going into the stock markets for investment are engaged in paying up the calls which fall due each week on rubber companies formed in the early months of the year.

Canadian Railways.

The Canadian railway section of the market has been particularly weak, Grand Trunk Third Preference declining 1⅝ yesterday. This is the result of rumours that the company will have to advance its wage rates considerably. One cablegram published this week in London suggested a 40 p.c. increase, but the market takes the view that a 10 p.c. increase will be all that will be necessary. It is generally felt that as the company reduced the wages of its employes in bad times, it should increase them now an improvement has occurred.

Harrisons & Crosfield.

Among the new issues this week is Harrisons & Crosfield who are offering 150,000 5½ p.c. cumulative preference shares of £1 each at par. The company's business is that of tea blenders, and among the businesses acquired is that of Crosfield, Lampard, Clark & Co., of New York, Chicago and Montreal.

Vancouver Four Per Cent. Stock.

There has been offered by Messrs. Brown, Shipley & Co., £453,600 of 4 per cent. consolidated stock of Vancouver, British Columbia. The price was fixed at 100½, at which the yield is £3 19s. 7d. per cent. As the existing issues are quoted at 102, I expect the whole of the issue will be over-applied for.

Royal Bank of Canada.

Considerable satisfaction has been created by the announcement that the Royal Bank of Canada has decided to open a London office. The staff is being got together and I understand will be under the management of Mr. James Mackie, who has been in the service of the Bank of Scotland for 22 years.

Dominion Saw Mills and Lumber Company.

This company's prospectus, which has been heralded by full page illustrated articles on the predicted wood famine and the coming lumber boom in British Columbia, has now made its appearance. The Canadian Bank of Commerce, Lloyds Bank and Messrs. F. J. Benson & Co., are associated in the issue of £800,000 6 p.c. sterling first mortgage debentures at 95 per cent. The assets are stated to be timber covering an area of 90,000 acres (or 140 square miles) situated in British Columbia. The chairman of the company is Lord Desborough, and the Canadian board will consist of Elihu Stewart, Alexander McRae, W. E. Hodges, and S. A. Mundy, the last-named being president and managing director.

A Banking Amalgamation.

An interesting banking amalgamation is announced from Yorkshire this week, the Halifax Joint Stock Banking Company combining with the Halifax and Huddersfield Union Banking Company. The Halifax Joint Stock is one of the oldest joint stock banks in England; it was established in 1829, while the Halifax and Huddersfield Union was established in 1836. Both banks have a paid-up capital of £300,000, the Joint Stock being in £25 shares, with £10 paid, and the Union in £40 shares, with £10 paid. In order to buy up the Union capital, the Joint Stock will distribute one of its own shares for every three Union shares, and, in addition, will make a cash payment of £5 6s. 8d. per share.

The reasons for the amalgamation are set forth in a circular, sent out by the chairman of the Joint Stock Bank. The two banks cover practically the same districts, they were established for the same purposes, and a friendly rivalry has been carried on between them for many years. With a constant expansion of the operations of bankers and a growing demand for the establishment of branches in urban districts, where business is necessarily limited, it is felt that the interests of customers, and necessarily of shareholders, also, can be better served by carrying a joint bank to a greater number of centres than by establishing duplicate branches at a smaller number of centres. Economies, too, must be effected by reducing the number of duplicate branches in districts where the existing business can be effectively done by one branch. The arrangement would thus appear to be a perfectly natural one, and it is interesting to see that while the big London banks are absorbing provincial ones so rapidly that country banks themselves are taking steps to consolidate their position. It was only last autumn that another Yorkshire bank, the Bradford Banking Company, was merged in the London, City and Midland.

Fire Insurance in Great Britain.

The Economist's annual review of fire insurance, in this case for the year 1909, contains a number of suggestive observations on the present position of the business and its future. Recent changes and developments, observes the Economist, have placed English insurance offices in a very interesting position, and although the probable lines of progress seem to be fairly clearly marked, it is unusually difficult to forecast the history of the next few years. Various causes have been at work to alter the nature and widen the scope of insurance; old barriers have broken down, new companies are constantly thrusting themselves in to compete with the old offices and these old offices, in turn, defend themselves by amalgamation and