

PERSONAL.

MR. GEO. WEGENAST, of Waterloo, Ont., manager of the Mutual Life Assurance Co., of Canada, was amongst the visitors to Montreal this week. Mr. Wegenast and those associated with him are to be congratulated on the solid progress being made by the Mutual all along the line.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK STOCK LETTER.

Office of Cummings & Co., 20 Broad St., New York City.

New York, Sept. 17, 1902.

The most important events of the week have been the action of the directors of the Chicago, Milwaukee & St. Paul Company, in increasing the semi-annual dividend upon the Common Stock and the high rates for money. When St. Paul was paying only five per cent. the directors adopted the plan of paying that amount regularly, and an extra one-half per cent. When they felt assured that the income of the Company warranted the permanency of the $5\frac{1}{2}$ per cent., they made this the regular rate with an extra one-half per cent., and now in making the rate $3\frac{1}{2}$ per cent., with a half per cent. extra semi-annual, they have taken the position that the Company can pay 8 per cent. yearly, and maintain it, and possibly do something better. Nothing further would be needed to show the wonderful prosperity not only of the sections through which this road runs, but all sections of this vast country. Observation shows that this is only a drop in a bucket of the manifold evidences of this prosperity in every direction.

During the summer it became apparent that there would be a very heavy demand for funds with which to move the crops, and that there would be a scarcity of loanable funds at this centre, and that there would be a decline in the Stock market. In order to relieve this strain three methods were proposed—that the Banks should increase their circulation; that the Government should increase its deposits with the Banks, and by the importation of gold. These propositions gave evidence that every means would be employed to prevent any disastrous results from such requirements for funds with which to move the crops, and the actual danger having been removed, left the field clear for those parties who had gone short of the market to make as much noise as they desired in order to produce a decline and thus cover their controls at a profit. It was not surprising, therefore, that money should be marked up to 20 per cent. and kept fluctuating between that and the legal rate up to the present time.

Another thing which added to the stringency of money during the past few days has been the final payment for financing the bonds of the Oregon Short Line thus called for the transfer of some \$15,000,000, but this is a matter which will adjust itself within a few days.

Up to the 10th of the month Banks had taken out new circulation to the extent of some \$4,917,000, and since that date the amount has been considerably increased.

The City Bank and other private bankers have been picking up gold in various parts of the world, and now have something like \$8,000,000, which should shortly begin to arrive in this country and these two movements will tend very largely to relieve the tension here.

The market has not declined as much as it was generally supposed that it would, showing that stocks are well held and that holders anticipate having the opportunity of disposing of their holdings at much higher figures later on. In this we think that they will not be disappointed, for the indications are for a very active and advancing market

during the fall, and we would say to those who are short of the market, cover your contracts before it is too late.

The directors of the Baltimore & Ohio met during the week and authorized an increase in the Common Stock, of \$25,000,000. This, with the \$17,462,800 now in the treasury of the Company, will give stockholders an amount of \$42,462,800 to subscribe for and will make the Common Stock of the Company \$125,000,000.

The expansion in the capital stock of the Baltimore & Ohio has been phenomenal during the past year. In September, 1901, the authorized common was increased from \$45,000,000 to \$60,000,000—to provide for the conversion of \$15,000,000—of debenture 4's issued the previous March for improvements and equipment. In November there was a further addition of \$40,000,000, making the Common Stock \$100,000,000. Of the new issue \$20,000,000 will go to pay for equipment, a great deal of which has already been delivered and the balance for betterments. These expenditures should put this property in first class condition and fully capable of handling its large and increasing business.

In the line of expenditures for equipment comes the announcement that the Pennsylvania Company has placed an order with the Baldwin Locomotive works for 250 high-class freight locomotives, aggregating in cost about \$3,250,000, all to be delivered within the first six months of 1903. This is said to be the largest order ever given by a railroad to one concern, and shows conclusively that the officials of this system realize the necessity of keeping their motive power up to date and providing for the increased traffic which it is evident they expect. It is stated that they will probably require about 400 locomotives, and that the entire equipment of the road will be greatly increased.

The Chesapeake & Ohio report put out during the week shows 3 1-3 per cent. earned upon the stock, while only 2 per cent. has been paid. That this rate is not likely to be increased is evident from the remarks of the president, who says: "To put your lines in condition for economical operation, and to take care of the increased business will require steady and constant expenditures from net income yearly."

The poor working of furnaces due to the scant supply of coke has resulted in a shortage of steel-making pig iron, which must be made up by importations, and it is said that one English firm has booked an order for 20,000 tons to be shipped to Pittsburg.

There is little doubt but what the strike in the coal regions would have been settled by this time, had it not been for the unwarranted interference of parties in no connection with the controversy.

The market has been very dull but strong all day; it looks as if stocks were being accumulated.

LONDON LETTER.

4th September, 1902.

FINANCE.

Whether present times are worse than any since 1894, or whether we have to go back to 1879 for a parallel period of such extraordinary dullness is immaterial. Sufficient it is that the City is no place to make money in now. Neither has it been for a good long time past now and especially since the declaration of peace.

In August last year ten public issues were made of companies or corporations wanting money, and \$7,230,000 was asked for. This year August record is eight issues for a total of only \$4,115,000. The average amount of capital offered for public subscription during six Augusts, ending with 1901 (excluding a special item of \$75,000,000 in 1900) was \$18,915,000. It is not, therefore, the holiday nature of the present time which is responsible for the conspicuous decrease.