

Our London Letter.

PARLIAMENTARY ATTITUDE TOWARDS RAILWAY AMALGAMATION.

Enquiry as to Public Interests Involved—Increased Investment Demand in London Markets—Recent Dominion Loan at Premium—Shipbuilding Trades Show Recovery—Banks as Custodian Trustees—Insurance Topics—Special Correspondence of THE CHRONICLE.

Undoubtedly the most important event of the week is the passing of the second reading stage in the House of Commons of the bill promoted by the Great Northern, Great Central and Great Eastern railways for their amalgamation and future working as one system. The majority was a narrow one, fourteen only, Parliamentary opposition having developed at the eleventh hour to a more considerable extent than had been thought at one time probable. Mr. Churchill, personifying the Board of Trade, fought valiantly for the cause of combination and commonsense against the perpetuation of the wasteful system of unlimited and reckless competition to which British railway companies have hitherto been committed and at the last moment he received some unexpected and welcome assistance from Mr. Richard Bell, M.P., the secretary of the Railwaymen's Trade Union, who averred that the lot of the railway employee would be well safe-guarded by the Bill, and that, in this respect, the measure was highly preferable to the agreements which have lately been come to between other railways, without the sanction of Parliament. The Bill is now referred to a committee, who are not only to consider it on its own merits, but also "the whole case for and against amalgamation in the public interest." This arguing by enquiry from a concrete case to a theory of future policy is something of a novelty, and the outcome of what appears now certain to be a tremendous fight before the committee will be watched with keen interest, not unmixed with anxiety on the part of those more particularly interested. The arrangement is not a very fair one for the companies, who, if they persevere with their Bill, may easily get landed with a large part of the cost of a commission into our railway policy generally.

A Canadian Land Boomlet.

The tone of London markets remains exceptionally good. With unconcealed feelings of pleasure brokers and jobbers are noticing a steady increase in the demand for high class investment stocks, and, in other directions also, a good deal of activity is being shown. The shares of Canadian land companies have been particularly prominent during the week, a lead having been given by Hudson's Bay, whose shares show a rise of $6\frac{1}{2}$ points since the last making-up day. The recently issued reports of such companies as the Canadian Northern Prairie Lands and the North British Canadian Investment Company are highly satisfactory, and, combined with the gratifying reports which have been received as to the immigration movement into Canada, have generated optimistic views regarding the future of this group. The announcement that we may expect another early issue by the Dominion Government to cover the new loan to the Grand

Trunk Pacific has had no untoward effect upon the last issue of $3\frac{3}{4}$ p.c. bonds, which have so far benefited by the improved tone as to command a premium of $3\frac{1}{2}$ points.

In present circumstances the shares of the group of naval construction companies located in the north and on the Clyde continue to attract great attention. Since the publication of the naval estimates, values have substantially appreciated, and in the case of the group as a whole, of which the best known members are Armstrong, Whitward & Co., and Vickers Son and Maxim, all the present indications point to a long sustained rise. It is certain that for the next five or six years these companies will be very busy. Quite recently, definite or tentative orders have been placed with them by the British and other Governments for war vessels and accessories aggregating over 20 millions, and it appears reasonably certain that this large total will be considerably increased in the near future. The firms named are now making substantial additions to their plant, and while the effects shown immediately are not likely to be sensational, undoubtedly over a period of five or six years they are likely to produce very fine financial results.

A Banking Development.

A development of English banking practice that has lately attracted some attention has been brought about by the agency of the Public Trustee Act, which created the office of custodian trustee, for the purpose of providing a custodian for property and securities, leaving the management of the trust to the other trustees. Banks among others were empowered to act as custodian trustees, and it appears that half a dozen of our banking companies are undertaking business of this description while a number of others have signified their intention of taking it up at an early date. Conservative banking authorities do not look upon this new development with a great amount of favour. Conceding that, generally speaking, the development is one which will be of advantage to the public, banking opinion anticipates a great many difficulties in actual working, which will make the business anything but remunerative to the banks undertaking it. A good deal of competition will have to be encountered—from the Public Trustee himself, from insurance companies and from solicitors, stockholders and accountants, and this competition is likely to keep down fees to a not very remunerative level. However, the banks have taken the step of entering into this arena of competition and it now seems probable that in self-defence the rigidly conservative institutions will be obliged to afford the same facilities as their more enterprising competitors.

Insurance Topics.

The advent of a batch of new insurance companies has given rise to discussion and reflection concerning their future. As with banks for many years past, and quite recently English railways, the tendency of British insurance institutions for some years has been all in the direction of amalgamation and centralization of interests. Within the last decade many famous old offices have been taken under the wing of more aggressive and energetic juniors, and their names have disappeared