

Correspondence.

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

LONDON LETTER.

FINANCE.

London, England, August 24, 1905.

The boom in Canadian Pacific is as much a feature of the London market as it is of the Wall Street one. Now that the stock is in the neighbourhood of \$166, the people (and their name is Legion) who became "bears" at \$156 are finding that life has lost its savour, and that existence is an irony.

Ever greater grows the interest devoted here to Canada and things Canadian. Hudson's Bay's shares, which were pretty quiet for a few months after their big rise to \$370 per share. They even reached at one time a total matter of \$50. Now, however, they are once more quietly advancing and are at about \$390, a fresh record.

The stream of new Canadian issues continues. Last of all the advertised prospectuses is that of the Western Canada Cement and Coal Company, which comes out "for public information only" under the auspices of the Canadian Land Development and Finance Syndicate. No money is asked, at the moment, from British investors, but apparently the reason for the advertisements is found in the no doubt highly commendable desire to interest the British reader in the company's mortgage bonds, and \$100 shares which will be quoted on the London Stock Exchange.

The big outside brokers of this country (and some of them have a network of branches) are now featuring option business in a way which was never done before. Monthly, two monthly and three monthly options have for a long time been becoming increasingly popular with the outside punter, but now we have the seven-day and fortnightly option pushing ahead. The option of \$1,000 Canadian Pacific stock for seven days, is sold at \$1.50. The call of \$500 of Grand Trunk ordinary stock for seven days can in the same way be obtained for from under \$2.

These options are only opened subject to cash accompanying instructions. In the absence of continuing instructions with further remittances, the seven day and fortnightly options are closed at the first official price on the day they expire.

The selling of countless thousands of these cheap and hazardous little options is a very lucrative part of the bucket-shops, and outside brokers' business here. Despite the pretty determined rise in security prices, the brokers appear to do well. The reason probably lies in the fact that whilst the outside broker is paying out the losses he has incurred over the few earlier options, he is steadily receiving the option-money from the many new clients who are coming along all the time, and whose options are foredoomed to be abortive.

INSURANCE.

Intermittent raging of the wholesale attack upon American insurance methods continues here in many quarters. The letter written by Mr. Naish, the general manager in the United Kingdom of the Equitable Insurance Society of the United States, to the British policy-holders of the Equitable has aroused a good deal of comment. As a matter of fact, it is a most able and well considered epistle.

The last paragraph says "Prosperous as the society has been up to the present no one can doubt that, in the new era on which it is now starting as a purely mutual society

under the control of its policy-holders, its future will be still more prosperous than its past." This is a wish which will be echoed by all people who are interested in the due and orderly development of the new side of life assurance, and the most modern thrift methods.

Just for a moment, for a brief holiday moment there is something of a panic in insurance business and insurance developments. There is nothing fresh in the way of amalgamations. New policy forms are being kept in readiness for issue in September, when the vacations are over, and the average man has got back from playing with pebbles, on the beach, and once more taken up the burden of life.

An attempt is being made to popularize the insurance of bankers' deposit warrants against theft, but it seems a slight kind of risk for the high price charged, where in another direction there is a scheme afloat for the issue of insurance picture postcard, insuring the life of the recipient for a certain limited period.

STOCK EXCHANGE NOTES.

Wednesday, p.m., September 6, 1905.

Trading this week while limited has been made interesting by rapid changes in prices. Labor Day broke into the week, and to some extent assisted in producing a heavy market on preceding days. The opening of the market yesterday was buoyant, and prices advanced materially. Both here and in New York Canadian Pacific was a feature, it advanced to a new high price level. The consistent upward movement of this favourite Canadian stock gradually impressing the view that more than a pool movement is responsible for its present price, and London advices hint at some future development in connection with it to account for its selling so much over a fair price on merely dividend return considerations. A further issue of Common stock at par, or the formation of a separate company to administer its large land holdings have already been referred to as possibilities.

The sudden revival of interest in the Lake of the Woods Preferred stock seems to foreshadow an upward movement in the Common. The declaration of a dividend on the common to follow the interim dividend of 3 per cent. already paid is expected during the next few days.

There is no change in the money situation, and Bank Call money in Montreal continues at 4½, the rate for call money in New York to-day was 2¼ per cent., while in London the rate is 1 per cent.

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The quotations for money at continental points are as follows:—

	Market.	Bank.
Paris.....	1½	3
Berlin.....	2½	3
Amsterdam.....	2½	2½
Brussels.....	2½	3
Vienna.....	3½	3½

C.P.R. is now selling X. D. of 3 per cent. payable 1st October, and advanced here to 165 X.D., while in New York it sold over 166 X.D. yesterday. The closing bid to-day was 162¼ X.D., a net gain of 1¼ points for the week. During the four days trading 909 shares were dealt in. The earnings for the last ten days of August show an increase of \$101,000.

The Grand Trunk Railway Company's earnings for the last ten days of August show an increase of \$51,373.

The stock quotations as compared with a week ago are as follows:—