

## BRITISH SECURITY MOVEMENTS.

Recent disturbances of the money market on this side the Atlantic and its general condition here of suspense and anxiety have been an impressive object lesson to the public at large in regard to the absolute dependency of the financial condition of the United States and of this country upon that of Great Britain. A reverse to British troops in South Africa produced a panic in New York, and prices of stocks and other securities are day by day moving up and down according to the nature of the news from the seat of war. While the late war with Spain was in progress there was no anxiety or excitement in London at all approaching to that created in the United States by the war in South Africa. America has a very costly war on hand in the Philippines, yet its vicissitudes are not reflected to any extent in London, or even in New York. The market value of money is fixed in the London money market, just as the price of wheat the world over is fixed at Mark Lane, the London grain market. The dominance of the world's financial centre renders it most interesting to observe the financial phenomena and movements of the old land. One phase of British finance which indicates the state of the financial atmosphere with barometric sensitiveness is the state of the market for trustee securities, a class of investments which, by recent legislation, have been legalized for trust funds. They consist of gilt-edged and guaranteed stocks, the bonds and debentures of a number of the principal cities and towns of England, and the securities of British and India railways. The table below gives the present price of these securities, with the interest they pay, the date they mature, and the amount they yield in currency for each \$100 invested. We have converted the amount they yield from sterling to currency at par of exchange.

Govt. & Guard.	Prices		Rate of Int.	Yield per \$100	When Mature
Stocks	1900	1896		1900 1896	
Consols, 2½ to 1903....	100	113½	2½	2.50	2.21 1923
Local Loan Stks.....	100	112½	3	3.00	2.67 1912
Canada Govt. Bonds...	108	122½	4	1.70	3.26 1913
Bk. of England.....	342½	345	10	2.92	2.90 .....
Bk. of Ireland.....	392½	376½	12	3.06	3.19 .....
India.....	109	122½	3½	3.21	2.87 1931
do.....	102½	115½	3	2.91	2.58 1918
<i>Municipal Sec's.</i>					
Metropolitan.....	111	128½	3½	3.15	2.73 1929
Corp. of London.....	102	107	3½	3.42	3.27 1916
London County.....	90	.....	2½	2.77	..... 1920
Birmingham.....	112½	116½	3½	3.12	3 — 1946
Bradford.....	112½	127	3½	3.12	2.75 1945
Derby.....	99½	110	3	3.01	2.72 1902-50
Glasgow.....	101½	115½	3	2.96	2.59 1921
Manchester.....	102½	116½	3	2.92	2.58 1941
Nottingham.....	105	122	3	2.85	2.45 Irred.
Sheffield.....	101½	113	3	2.96	2.65 1925
<i>Railways</i>					
Caledonian.....	134½	162	4	2.98	2.46 .....
N. Eastern.....	134½	161	4	2.98	2.47 .....
N. Northern.....	102½	124	3	2.92	2.41 .....
N. Western.....	169½	200	5	2.94	2.50 .....
on I. & Brighton.....	136½	162½	5	3.66	3.08 .....
th. Eastern.....	135½	159	4	2.95	2.51 .....
th. Eastern.....	169½	200½	5	2.95	2.48 .....

The above table does not include the whole of the

securities in which trust funds may be invested in the United Kingdom, but are those most generally favored by trustees. Their high prices in 1896 and proportionately small yield arose chiefly from confidence having been widely disturbed by which investments became largely restricted to securities which were regarded as safe beyond question, though they yield a very poor return on capital. Out of 23 on the above list there were 17 in 1896 which yielded less than 2 1-2 per cent., and only as high as 3 per cent. In 1900 there was not one security which yielded as low as 2 1-2 per cent., there are 8 yielding 3 per cent. and over, and nearly all the rest yield 3 per cent. within a very small fraction. The yield of Municipal debentures in England has risen, on the average, about nine-sixteenths per cent. since 1896. It is a peculiar feature of the Act regulating trust investments in the old land that when any security is quoted at a higher premium than 15 per cent. it is no longer allowed to be purchased out of trust funds, the presumed reason being that, when any stocks or debentures carry a higher premium, too much of the capital of the trust is invested in mere premiums which are liable to be lost by market fluctuations. This regulation affords an illustration of the conservative spirit of British legislation, especially in guarding the interests of those whose property is in the hands of trustees. Turning from a comparison of the prices and yields of a choice selection of securities in 1896 and 1900, to a more general view of stocks and bonds last year, we find following tabulated data in the Bankers' Magazine, which we have re-arranged, and converted the amounts into currency. There are 325 securities comprised in the return whose aggregate par value is \$13,971,798,840 or £2,868,932,000 sterling. We give those classes of securities which show a decline between Dec. 1898 and 1899, with the aggregate decline or increase in their value from Dec. 1898 to May 1899, and the change from May to December, and for the whole year.

		* Changes in aggregate value.			
		Dec. '98	May '99	Dec. '98	Dec. '99
		to May '99	to Dec. '99	to Dec. '99	to Dec. '99
Classes of Securities.	No.	\$	\$	\$	\$
14 Brit. & Ind. Fds. I.	37,500,000 D.	416,200,000 D.	378,700,000		
8 Mun'cp'l stocks. I.	548,000 D.	12,785,000 D.	12,731,000		
11 Colonial Gvt. .... I.	1,460,000 D.	4,915,000 D.	3,445,000		
34 Foreign, Gvt. .... I.	90,100,000 D.	101,575,000 D.	11,476,000		
19 Brit. Rways. .... I.	14,600,000 D.	85,065,000 D.	70,462,000		
14 " Debs. .... I.	2,250,000 D.	56,810,000 D.	54,956,000		
13 " Pref. .... D.	4,496,000 D.	3,858,000 D.	43,593,000		
10 American Rys. .... I.	10,656,000 D.	2,750,000 I.	7,966,000		
12 " Gold bonds I.	1,824,000 D.	6,948,000 D.	5,124,000		
10 British Bks. .... I.	9,078,000 D.	110,000 I.	8,968,000		
4 Australian Bks. .... I.	2,788,000 I.	2,739,000 I.	5,527,000		
10 Mines, Sth. Afric. I.	60,894,000 D.	41,798,000 D.	19,096,000		
68 Industrials. .... I.	27,396,000 D.	39,786,000 D.	12,390,000		
14 Insurance. .... I.	328,000 D.	7,385,000 D.	7,057,000		
10 Water Works. .... I.	2,600,000 D.	3,844,000 D.	1,244,000		
74 Sundries. .... I.	10,437,000 D.	69,309,000 D.	58,872,000		
325 Totals Net.. I.	267,963,000 D.	850,329,000 D.	583,436,000		

It is evident that the bulk of the net decline in the aggregate value of the securities included in above table was owing to the war, as the decline in Consols