

Correspondence.

We do not hold ourselves responsible for views expressed by correspondent

LONDON LETTER.

FINANCE.

August 22, 1901.

If it is not inflicting a tiresome tale upon the readers of THE CHRONICLE I should like to put in a few particulars about another of our "great industrial combines" that is approximating to a parlous condition. Whilst not quite so unfortunate as the wool-combers, the Calico Printers and the others which I have from time to time dealt with, the English Sewing Cotton Company is poor enough after only four years of trading. The total capital of this concern is fifteen million dollars. Two years ago the ordinary or common shares received 8¼ per cent. Last year it was 7½, and this year it is only 8¼ per cent. The five dollar shares have been as high as \$12; they are now down to \$3.75.

In these cases figures speak louder than words. Two years ago the profits were over a million dollars; last year they fell to \$657,500, and now, after excluding the special aid obtained by the sale of securities, there remains a profit of \$350,000 only. What is the reason for this marked toboggan? Of all things in the world the reduced prices which are consequent upon competition! This alliance of the great sewing cotton houses, with the medical agreements arrived at between itself and the American Thread Company and that successful trust, J. & P. Coats, were going to wipe competition out of existence. Undercutting is still going on, and another chapter is being added to the story of unsuccessful trusts.

Whilst the markets are quiet it is as well to take a brief glance at one of the back-bone trades of Britain, one of the things which are the real sources of national wealth. In the iron and steel trade we have been having, until just recently, dull and duller times, but the trade has shown a strong tendency to "back up" and do better. The first obvious reason is the United States steelworkers strike, and its effect in sending across here orders which would otherwise have stayed at home. Another cause has been the marked and enhanced advance in the price of tin-plates, owing to the closing down of many American works.

Believing that bottom has been touched in connection with the cost of materials owners are ordering new ships right and left, and, with the yards busy, there is still more demand for our iron and steel products.

INSURANCE.

Some of the insurance men who are back from holidaying far from their usual haunts are full of anecdotes. One gentleman, belonging to the British and Foreign Marine Company, tells how he and a party of marine insurance men were on board the "Lake Simcoe" during her first trip. Although her passengers were entirely marine insurance men the vessel was not insured, and the mute horror of the underwriters when they discovered that fact was pathetic to behold. They had a feeling that they were acting contrary to the interest of the profession by being on board such a vessel, and the man who tells the story asserts in the gravest manner that had he not been held back forcibly he would have jumped over the side and swam ashore.

Of little insurance booms there is no end. First one office will cultivate and advertise one particular form of policy and then slick after it comes the majority of the remainder. Then another office strikes out with some fresh or useful, and helter skelter go the whole crowd again. Just now the particular fancy is child endowment. The policy amount is paid at the age of twenty-one. Should death mature before hand all the premiums paid are returned. I do not see that there is anything novel in the particulars of the scheme; the originality which compels imitation lies in the focussed and persistent pushing of it.

Several big fires have wasted London district lately, and in one case in particular a municipality owned building was dangerously near going down before the raging element. If it had, and it had been municipally insured, there would have been another lesson for the municipal insurers who are now preaching such funny doctrine.

STOCK EXCHANGE NOTES.

Wednesday, p.m., September 4th, 1901.

The Stock Exchange week was broken into by the Labor Day Holiday, but despite this fact the volume of trading shows a large increase over the previous week. Stocks in general have been active and prices buoyant. Toronto Rails were the most active stock on the list and scored a heavy advance in price. C. P. R. has also been active and the price has steadily advanced and the closing prices show a good gain. Twin City continues in demand and strong, while Richelieu has been fairly active and the price made a good advance, reacting, however, towards the close to-day from the higher figures. The advance in Montreal Power over par was one of the features of the week's trading, and was brought about by the action of the City Council in offering the Lighting Contract at \$60 per light to the Royal Electric Company, one of the subsidiary companies controlled by the Montreal Power Company. The strange course pursued by the City Council in connection with the Lighting Contract is perhaps unprecedented in the annals of the City. The procedure of first calling for tenders and then throwing these tenders out and finally at an emergency meeting offering the Contract at a very much reduced price to one of the tendering Companies, is most extraordinary. However, if the citizens in general are the gainers by obtaining a cheap light, we do not know that they have very much to complain of. Of course there is the conduit question, and the conduit clause, attaching to the new offer, but nobody knows anything about this underground work. Dominion Coal Common is another of the stocks which has taken an upward move, and a fair volume of trading took place. The transactions in the mines were comprised of Payne, Virtue and North Star, the decline in the price of the latter two stocks being the only feature worthy of comment.

The trading in New York has been of a fair volume, and the prices to-day show a considerable strengthening from the lower figures of yesterday, this afternoon's quotations showing a good all-round advance. The United States Steel stocks seem to be slated for an advance, and the railroads in general show an upward tendency.

The London market has been slack and inactive. The American stocks, however, holding their price fairly well in comparison with New York. Money is easy and the tone of the trading satisfactory.

The quotations for call money to-day in New York were 3 to 4 per cent., and the London rate is given as 1 to 1½ per cent. The local rate remains unchanged at 4½ to 5 per cent.

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