

had to be content with allotments of just over one per cent. on the amount of their applications.

The temporary lock-up of funds, caused by this huge over-subscription had an extraordinary effect on the money market for a short time. After the abundance of the last few weeks, money suddenly ran up to 3 p.c., and owing to settlement demands, recourse had to be made to the Bank of England for a large sum at that figure. Thanks, however, to the celerity with which the London loan allotments were got out by the Bank's staff, the stringency was of very brief duration, and there appears at the moment every indication that London will continue to enjoy the advantages of a large supply of cheap money for some time to come.

The Banks and New Issues.

Apropos of the success of recent new issues we have had a recrudescence of complaints from aggrieved would-be applicants that they, average members of the public, have not had a look-in at the best things which have lately been going owing to the closing of subscription lists within a few hours of their opening. The complaint is, no doubt, legitimate, and there is something to be said for the practice of continental countries, where the list is always kept open for the advertised period. If the public can not have their share of the good things in easy times like the present, it is possible that in times when credit is not so cheap they will not be quite so ready as they might otherwise be to relieve underwriters of their holdings. However that may be there is little doubt that as a result of recent new issues large profits have accrued to banking and finance houses both as a result of their underwriting commitments and of their applications. Many quite recent issues are now realisable at handsome premiums.

Another interesting point about recent activity is the extent of the French investment business which has been transacted in London. It has been suggested by critics, who look at affairs through political rather than financial spectacles, that this investment is due to the cause that is said to lie at the back of much of the movement of British capital abroad, fear of labour aggression and socialistic developments. It is more probable, however, that the main reason for this large French business in London is that the continental investor finds in London a better market for various securities which have an attraction for him (e.g. Canadian rails) than at home.

Gambling in Ships.

Mr. Churchill's bill for the suppression of gambling by outsiders on ships in which they have no interest has now made its appearance. It fixes a fine of a hundred pounds or six months' imprisonment as the penalty upon any person who, having neither a *bona fide* interest in the safe arrival of a ship, nor a *bona fide* expectation of such interest, effects an insurance upon her; and the same punishment is provided for the broker or underwriter with or through whom such an insurance is effected, if they know of the insurer's real position towards the ship. The bill is being subjected to a good deal of technical criticism, on the ground that it cannot strike at one of the roots of the evil—the interest of unscrupulous shipowners in the loss of their boats. Outsiders, will in the future, not be allowed to benefit by any perspicacity they

may show in "spotting" a ship likely to founder and even captains are forbidden to insure their belongings, but apparently there is nothing in the new measure to prevent either outsiders or captains sharing with dishonest owners the proceeds of a ship's loss.

Insurance and the State.

An obscure insurance journal came out this week with the announcement that as a basis for their scheme of State insurance the Government are forthwith acquiring the Prudential Company and two well known friendly societies. The statement was copied into several of the London dailies—and promptly contradicted by Mr. Lloyd George. As a matter of fact the Government's scheme is still in the embryonic stage. Judging by discussions which have taken place this week, the Government scheme will have none too friendly a reception from some of our large and well established friendly societies, who are afraid that their individuality will be altogether lost in any State scheme.

Insurance companies, like the rest of us, are busily engaged in calculating exactly how much extra taxation they will be called upon to pay as a result of the Budget proposals of Mr. Lloyd George. They will be exempt from the super-tax upon large incomes, but will, of course, have to pay 2d extra in the £ on their income tax, and several companies also will be affected by the tax upon land values. On the other hand, the increased death duties ought to bring some additional grist to the companies' mills, in the shape of new policies to meet the duties, while the fact that life assurance premiums, up to one-sixth of the income, are exempt from income tax will doubtless lead many rich men to consider the advantages of insurance as an investment as they have never considered it before.

—METRO.

London, May 18, 1909.

From Western Fields

EXPENDITURE OF \$85,000,000 IN RAILROAD CONSTRUCTION THIS YEAR.

Headquarters of G. T. P. to be transferred to Winnipeg—Wheat Shipments via Vancouver—Grain Conditions Excellent throughout West—Insurance Premiums and Investments.

During the current year some \$85,000,000 will have been spent in actual railroad construction work throughout the Canadian West. Of this the Canadian Pacific will expend some \$20,000,000; the Great Northern and allied lines, \$15,000,000; the Canadian Northern \$10,000,000; while the Grand Trunk Pacific will spend a similar amount on its main line from Winnipeg west, in addition to large amounts on branch lines. These estimates of The Railway World show that the attention of United States journals is being directed to the magnitude of railroad expansion on this side of the border. Were Canada less richly dowered with undeveloped riches, such multiplication of rail routes would be alarming.

Branch Lines of G. T. P.

It is announced in Winnipeg that the Grand Trunk Pacific is preparing to start work on the branch lines