

Our London Letter.

STOCK EXCHANGE AND NAVY.

Officers of the Fleet Invade the Precincts of London Stock Exchange—Sir Felix Schuster Scores Nation for its Wastefulness—Monetary and Trade Outlook—More Canadian Flotations—Special Correspondence of THE CHRONICLE.

If the truth must be told the event of the week on the London Stock Exchange has been the visit of officers of the British fleet, now lying at the mouth of the Thames, to the "House." The occasions are few when the stranger is allowed to enter the precincts of the London Exchange, and it is, perhaps, a little difficult for those who are not closely conversant with our conventional usages to appreciate the very high honour which this invitation to London's guests by London's financiers and stockbrokers, suggests. As might be expected where such an ultra-patriotic body as London Stock Exchange members are concerned the Navy is immensely popular in the House. A Stock exchange company of Naval Volunteers is one of the smartest in London, while, if the Government had ever any idea of adopting the suggestion made by Lord Cromer a few weeks back, of raising a big loan for naval purposes, they could rely absolutely on every member of the House doing something more than his best to make that issue a triumphant success, careless, as every one would be, whether or not such an addition to our national securities at a time when they are not popular among investors would mean torpid markets and receding prices for months following. In days gone by, Navy loans were well known securities in the House, but at the present time there is no specific part of our national debt, officially marked as having been incurred for blue water defence purposes. The Stock Exchange never, of course, takes its pleasures sadly, and it is hardly surprising that the naval officers' reception was of a decidedly boisterous description. It says something for Admiral May's *sang-froid* that in the middle of this "rag," he was able at the close of a brief speech to repeat his *mot* at the Lord Mayor's luncheon that "without the fleet there could be no city and without the city there could be no fleet."

British Railways Looking Up.

Business, as has been suggested, continues stagnant, and it is probably rather hopeless, in view of the holidays, to expect any radical improvement for some weeks to come. In some directions, it is true, a little more interest has been shown towards the end of the week, notably in British railways, whose dividends now in course of announcement, show an agreeable line of advances. These are particularly pleasant at this time of day, too, because they show that all the talk we have heard lately about combination in place of competition and cutting off waste in working has not been merely high falutin' palaver, but that the railways have at last begun to do something towards a recognition of the fact that part of their duty, at all events, is to earn fair dividends for their shareholders. The news, moreover, that the Scottish coal trouble is in a fair way to being settled is also a reason for a more optimistic out-

look, and with this cloud right out of the way, as it promises to be at an early date, we may, perhaps, reasonably anticipate a much needed improvement in the prices of British railway securities.

The Boom in Rubber.

The improvement in British railways is, however, more by way of promise for the future than realization in the present, and, the public being clean off its feed so far as mining shares are concerned the only market where there is real activity is in rubber shares. Here, in fact, is a market booming for all it is worth and, some cautious people think, a great deal more. With the price of "fine hard Para" somewhere in the neighbourhood of 8s. a pound, still steadily climbing upwards, and, apparently, nothing in sight which will lead to a fall in the immediate future, a full-blown boom is, of course, inevitable. We have lately heard, too, that the supply of the wild-grown rubber from Brazil may be smaller than usual this year, owing to floods in the Amazon having hindered the exploration parties. This, if true, is bad news for the manufacturers, but for the investor a much longer view is probably more interesting. Something was said in this column a few weeks ago about the uniformly good-class character of the issues made in London during recent months. There are not wanting signs that the rubber boom may, to some extent, render this remark untrue. Within the last fortnight we have had something like a dozen prospectuses of rubber companies in the Middle East and elsewhere. While, perhaps, it would be difficult to say that more than one or two at most of these are undesirable, the financial arrangements of most of them are not quite what one would like to see. The promoting syndicate, netting profits altogether out of proportion to any services rendered is much too familiar to be pleasant, and it appears quite possible, especially in the case of estates where trees do not come into full bearing until four or five years hence, that the public may have some considerable cause to regret the boom of 1909.

Sir Felix Schuster on National Waste.

The half-yearly series of banking meetings now in progress are, as usual, producing some interesting speeches. Sir Felix Schuster, the chairman of the Union of London and Smith's Bank, whose bi-annual surveys of our trade and commerce always have something in them that provides food for reflection, on this occasion called attention to the rapid growth of national expenditure. He pointed out that twenty years ago the expenditure of the United Kingdom amounted to 70 millions while in the Budget for the present year the estimates amounts to 164 millions, and he suggested that the time has come for a demand on the part of the public for a return to that spirit of economy under which this country showed its greatest advance in commerce and development.

These figures of our own national expenditure were illustrations in the general argument used by Sir Felix. "The growing expenditure of all countries," he said, "and especially expenditure of an unproductive kind, must give rise to serious reflection, as to some extent economic development must inevitably be retarded by such vast expenditure. The desire for economy and thrift, so necessary