

Correspondence.

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LONDON LETTER.

FINANCE.

December 12, 1901.

Chicago Yerkes and the District Railway have won all the way round in the fight between the two systems for electrifying our "Underground." This railway, which runs right round the central districts of the metropolis, is owned by two companies, the Metropolitan and the District, each possessing a moiety of the (continuous) track. When it was first proposed to give up the steam engines and go in for an electric railway there came forward two utterly different methods of electrification. The Metropolitan favoured the Ganz system, but the Board of Trade arbitrators have decided against it. The British Westinghouse Company will have the work of electrification to carry through, and it will take about two years. Already the shares of both companies have moved up strongly.

The shadow of the great break in copper and copper shares is now over many of the markets, and there is something very nearly approaching stagnation of business. Just what is the little game of the copper kings we do not just yet know, but everyone is holding his hand for the time being.

The figures of the gold output for the Rand and Rhodesia are out for November, and whilst the Rand production is the bigger since crushing recommenced in May last, the Rhodesian yield (16,308 ounces) is the biggest yet known from that unprofitable country. As for West Africa!—well, that country's state is, to say the least, desperate. She managed to secure an output of 900 ounces for October, but this fell to 450 for November. There have been 400 West African companies floated with a total nominal capitalization of \$200,000,000—and this is the best they can do! Alas, poor "Wafrika!"

Bad as has been for a long time now the condition of the Home Railway market, it is being rendered worse by the continuous issues of new capital by the companies. Since 1899 the evil has grown and prospered, and it is now becoming very serious indeed. The three latest issues have fallen very flat, and this in itself should be evidence enough that the railway directors are following a wrong policy.

This is the time of the year when reviews of provincial industries from the financial point of view are distinctly in order. I have had my attention particularly drawn to the provincial brewery results, and when we get away from great over-capitalized concerns it is surprising how favourable the results are. Taking twenty-one of these leading provincial breweries (including none of the great houses) I find that one pays 19 per cent.; one, 15 per cent.; one, 12 1-2 per cent.; five, 10 per cent.; one, 9 per cent.; four, 8 per cent.; three, 7 per cent.; two, 6 per cent.; one, 5 per cent., and two, 3 per cent. Brewers had to face higher excise duties, of course, last year.

Then take the 1901 experience of the cycle companies, most of which sprang up in the boom of a few years ago, when Ernest T. Hooley was the master magician of the stock market for a brief but opulent period. Forty of these companies went into liquidation last year, thus joining the scores which went before, but amongst the survivors of the slump years there are some showing a distinctly better tone. The Birmingham Small Arms Company, which is a great cycle factory, pays 20 per cent. out of net profits amounting to \$425,000.

Another company pays 25 per cent, and several 10 per cent. It will mean the salvation of the town of Coventry if the industry gets on its legs once more.

INSURANCE.

With the end of the year at hand the insurance agent is rallying the backward cases of the year, and his chief arguments is the appeal to the pocket. "Come in before the end of the year," he says, "and you will be on the same level as regards bonus as the man who came in on January 1."

The State Fire Insurance Company of Liverpool has agreed to purchase the Duchy of Lancaster Fire Insurance Company. The State Fire is ten years old, and has a nominal capital of \$5,000,000. Of this, \$3,500,000 has been subscribed for and ten per cent paid up. The \$50 shares (\$5 paid up) are quoted at a fraction over eight dollars, and drew a dividend of 5 per cent. last year.

As for the Duchy of Lancaster, it is a local concern with a centre at Blackpool, Lancashire's great seaside holiday resort. Of its nominal capital of \$250,000, some \$125,000 is subscribed and paid up to the extent of \$2.50 on each \$25 share. There is apparently no sort of market in the shares. The dividend last year (also the Company's first year) was 5 per cent.

A case, illustrating the variety of risks covered by modern contingency offices, was heard the other day. A public-house employee, in opening a soda-water bottle, let the cork fly into a customer's eye, destroying the man's sight. The customer, who was an omnibus driver earning \$10.50 per week by seven days' work, sued the bar-tender's employer and recovered \$1,625 damages. The saloon keeper sought to avoid liability by pleading that as the bar-tender and the customer had tossed for the drink, the said bar-tender for the time being technically ceased to be an employee and became a guest.

Fire business continues to be productive of a large number of heavy claims, and the marine underwriters are not by any means making money so fast as they do sometimes at this season. The gradual subsidence of the smallpox epidemic is reassuring to the life offices.

NEW YORK STOCK LETTER.

Office of Cummings & Co., 20 Broad St., New York City.

New York, Dec. 24, 1901.

The declaration of the one per cent. dividend upon the Amalgamated Copper shares puts an end to the uncertainty regarding the matter and as a natural result the mystery being removed, the interest of the speculative public has waned and dealings in the shares have quieted down, and the price has ceased its violent fluctuations.

In passing from this subject we would call attention to the fact that most of the large American mines being supplied with the most improved machinery, are in a position to produce copper at a minimum of expense, and can, undoubtedly, make fair profits even at the present reduced price of the metal, so that it would not be at all surprising if within a few months there should be something of an advance in copper stocks.

The next representative of blind pool manipulation to come forward upon the boards is sugar. In our letter of November 20last, we called attention to the position of this stock which, even then, gave evidence of what was more than likely to happen. At that time the stock was selling about 120. On Saturday last it began to show decided signs of weakness, and since then it has shown a steady progress downwards, when and where it will stop, time alone will tell. It is astounding that people will continue to deal in such so-