the week, and is likely to become much more active, and show a steady trend upward. As has been remarked before in these letters, the improvements of this property have been great and the expenditures for them enormous; and now that the betterments have reached a stage where the balance can be left for a future time, the funds heretofore used for this purpose should incur to the benefit of the shareholders, and it would not be at all surprising if this corporation should begin the payment of dividends in the not remote future.

The point has been widely distributed that Pennsylvania would sell at par. It may be that it will, and then again it may not. Mr. Cassatt is not a novice in railroad matters, and has been shrewd enough to place what bonds he wanted to for the present, and now holds the money for them, so that he can fulfil whatever contracts he may make. This certainly is a very strong position.

The statement given out by the Union Pacific shows that after paying the dividend on the Preferred Stock, the Company earned 10.38 per cent. upon the common stock, against 10.13 per cent. last year. As this company is only paying 4 per cent. or considerably less than one half of what it is earning, it cannot be considered that the stock is high at 72, and with any improvement in the market, it should be one of the first to show a decided advance.

The recognition of the new Republic of Panama by this government and the agreement regarding the treaty for the building of the canal, has brought prominently to mind the method by which the payment of $50,000,000 due on this account is to be made. Among those who are well informed, it is believed that this payment, which, by the way, will not have to be made until some time in January, can be accomplished with as little friction as that of Philippine payment to Spain. At the same time it is not unlikely that this operation might, for a time, have an adverse influence upon further shipments of gold to this port.

As was quite natural before a holiday, the market has been very quiet, and while the industrials have been weak, railroad shares have shown a very good resistance, which augurs well for a better market later on. Money, during the week has been as high as 9 per cent., but with a good two weeks' start on the cotton movement the returns from this staple should easily take care of what may be left of the demand from the Northwest for funds, and it should not be long now before the return movement of currency from the latter quarter should set in after which the rates for money should be materially lower.

The market while quiet closes fairly strong, some stocks being at the best prices of the day.

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LONDON LETTER.

FINANCE.

London, Nov. 12, 1903.

After having, for a long time, been uncertain and conjectural the African Venture Syndicate has been registered at Somerset House with a nominal capital of $10,000,000. Its object covers a good many folios, but really, they amount to the organization of an attempt to prevent prices in the market for South African mining land and exploration shares falling any further. The capital will be privately subscribed by the great Kaffir financial houses, and as some readers of THE CHRONICLE may not have as yet had the pleasure of an introduction to the great Kaffir magnates who live in Park Lane or other seats of the mighty and exclusive, and lord it over the Rand, I append here the names of the signatories to the articles of association of Somerset House. They are: Julius Wernher, Alfred Beit, L. Breitmeyer, P. Eckstein, L. Phillips, C. Rube and L. Wagner. The intruison of one name that is moderately Anglo-Saxon will reassure us.

Investors are waking up to the fact that despite the united antagonism of the Liberal, Radical and Labour politicians over the Free Food Leaguers in his own party, Mr. Chamberlain has got the ear of the country for his fiscal proposals. They are, therefore, asking themselves what the conversion to Protection and Food Taxes will do for the various industries in which their money is invested.

Views appear to be rather divided, and political sentiment still plays too large a part in the discussion. Beyond this, everything is based most considerably on assumption. Many industries in this country depend for their profitableness very largely upon the free importation, and, therefore, cheapness of raw material. This "raw material" is frequently actually manufactured product. Whilst therefore, these industries might gain by the lessened competition in the home trade, they would be handicapped in the sport department. In the cement trade, in which there is a lot of joint stock enterprise, profits made at home might be lost by "dumping" abroad at cut rates. Engineers are pretty equally divided as to the effort of the fiscal proposals on their industry, there being a narrow majority for Protection.

Many shippers are for free trade. Charles Wilson, of Hull, says that taxing imports from protectionist countries will lessen our trade with them, and Great Britain, at present, does half the carrying trade of the world. Norman Hill, the secretary of the Liverpool Steamship Owners Association, and many other shipping leaders endorse this view, and others go as far as to declare that the successors of the fiscal reform campaign would mean that our "tramp" shipping would be entirely wiped out.

With companies in which British capital is invested, and which are operating abroad, there is less room for political bias to warp judgment. The big frozen meat companies, which import their commodities from South America, would obviously be affected adversely, and so on. It is a case of here a loss and there a gain. But the investor whose money is in the industry, which is by the new tariff, will find it rather difficult to console himself with the thought that investors in other industries are reaping a richer harvest.

Leaving this topic, one which it is exceedingly hard to keep from being acrimonious, I have to record a most important and epoch-making address by the president of the Institute of Bankers. It has been for many years a matter of common knowledge amongst bankers here, that the Bank of England reserve is not adequate, and should be strengthened. Many schemes have been proposed to lessen the danger of depending on the comparatively small gold reserve lodged in the vaults of our central institution of credit.

As a matter of fact, whilst the total amount standing to the credit of the deposit, current account and circulation of all the banks in the United Kingdom, last year, was in round numbers $4,400,000,000, the average reserve at the Bank of England, which is with a slight and secret exception the only real gold basis for all this mountain of credit, was $120,000,000, or about 2¾ per cent. And further, we are not told nowadays what proportion the balances of other banks kept at the Bank of England bear to the reserve. These balances, which would, of course, have to be promptly doubled in times of need, were 70 per cent. of the reserve in the year 1877, when they were last recorded separately.

At the above meeting Mr. Herbert Tritton finished his