

tural rise, and it is more than likely that such a rise will take place. On January 16 the December option was 8.40, and yesterday it was 9.40, an advance of one cent per pound; and this rise has, as stated above, drawn considerable attention of operators from the Stock market.

Several important questions have come to the surface during the week, of which the striking from the list of stocks of the American Steel and Foundries Company, by the officers of the Stock Exchange for misstatement of facts in the account submitted, is quite likely to have a very beneficial effect. The officers of the Exchange cannot be too careful in the scrutiny given to the statements submitted to them, and there are not a few on the present list upon which the light of investigation might be turned with good results.

The adjournment of the Supreme Court, until February 23, removes all chance of a decision in the case of the Northern Securities Company until after that date.

Another important matter is that of the decision of the Montana Supreme Court, which reverses the decision of Judge Clancy, in Butte, in the injunction suit against the Boston & Montana Company, and which decision was the cause of the shut down by the Amalgamated Copper Company of all of their works last summer. This matter, in some respects, resembles that of the Northern Securities Company, so that the decision is decidedly interesting it says, in part, "that under the laws of Montana one corporation may hold, as completely as an individual, stock in other such corporations, and that the same is not against public policy." This decision is of great importance to the Amalgamated Company, but whether it will be carried to the Federal Court will undoubtedly depend upon what the decision will be in the Northern Securities matter.

The retirement of J. D. Rockefeller from the Board of Directors of the United States Steel Corporation does not carry the significance that it would, if his son was not already a member of the Board.

The statement of the Pennsylvania Company for 1903, shows that the gain in gross revenues from all lines amounted to \$18,628,000, but the increased expenses made a decrease of \$348,000 in the net.

The returns for December were disappointing, but there was a considerable saving in charges, which helped matters materially.

The report of the Twin City Rapid Transit for the year, shows that the gross earnings for the fiscal year increased 12.51 per cent., and that the operating expenses, including taxes and all charges were 3.36 per cent. of the gross, against 49.30 per cent. from the preceding year.

The market has been very dull all day, and while it has declined somewhat, it looks as if an upward movement might not be far off.

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### LONDON LETTER.

London, 21st Jan., 1904.

#### FINANCE.

The City has now come to the conclusion that it has not been served very honestly by some of the calamity howlers of the yellow press, and, so far from a Russo-Japanese war being inevitable and imminent, the chances are all in favour of pacific proposals and a powerful finish to the Far Eastern "crisis."

With peace assured, and the Rand stirred up into activity by the introduction of sufficient supplies of Chinese labourers under strictly indentured conditions market would revive and we should have busy and better times; for a while anyhow. But taking a long look forward it is quite evident that there are many financial critics here like Andrew Stile, of William Waldorf Astor's "Pall Mall Gazette," who look for a further slump to follow the brief revival. Obviously, the Stock Exchange itself is not bullish, on the whole.

Between two and three hundred brokers and jobbers have not renewed their membership this year, and coming as this does on the top of a recession equally large, last year, it serves to show very clearly that the House is being compelled to reduce itself to the amount of business offered.

Clearly, four thousand members are too many for such times, as we have been having in recent years, and economic necessity is doing for the swollen corporation what the Executive Committee of the said corporation was too slow about.

At the same time there is a revival of an old agitation in favour of combining the stock broker and the stock jobber or dealer in the same person, thereby reducing the expense of stock and share transactions to the general investing and speculating public. As the broker has the clients he has, of course, the whip hand. The outside brokers, or bucket-shop keepers, already act as dealers as well, and advertise long lists of shares which they are willing to buy or sell, with one price in each case. As these gentlemen are under no control, they do not command the same influence as the member of the House.

In Paris I notice much the same sort of warfare has also broken out anew. There the monopoly enjoyed by the "agents de change," modified even though it was by the act of tolerance admitting coulissiers a few years ago is again threatened, and a senator has tabled a Bill for its entire abolition and the complete reorganization of the Bourse.

Electric railway travelling is well on its way to becoming an accomplished fact in this country. Already the small Lancashire conversion has been completed, two others of larger extent are almost finished, and the electrification of London's great underground steam system is well ahead. This is all to an extent experiments, and any further steps towards the utilization of electricity as motive power wait upon the decision of experience as to which of the systems of electric traction now being, or about to be used, proves the most satisfactory. There is great uncertainty as yet.

#### INSURANCE.

Every year Messrs. McLean and Henderson, of Stirling, publish a table showing the twelve months' fluctuations in the market price of the shares of British insurance companies. Attached to this, there is always a review of the chief incidents of the insurance year. For 1903 I notice they declare that life business has been increasing in all departments, but especially the endowment and investment branch, and that the fire department may be expected to be as profitable as in 1902, although in that latter year the profits were earned more particularly on the American and Canadian areas.

We all know how roseate were the fire companies' reports issued during last year, and referring to the previous year's business, but one would not say that the home department did not manfully help to bring about the better result. Rates were noticeably stiffened for hazardous risks and danger centers, and to add to good fortune