

LONDON LETTER.

FINANCE.

London, England, Nov. 11, 1905.

The professional financial tipster is hard put to it now-days, to put his finger on the locality of the "coming boom." For years he warned us to watch Kaffirs. Directly the Boer war was over and the country freed from the Hollander oppression, South African mines would prosper. The war period passed away and British administrators ruled in Pretoria, but no boom came. It was then discovered that this was owing to the country being impoverished by the three years of hostilities.

A loan was discovered to be the needful thing. Straightway preparations began for a \$150,000,000 Transvaal issue guarantee by the British Government. Investors bought shares to sell at a profit directly the loan was floated. Actually they had to clear out at lower figures, for the loan came and was spent, and the market was not a penny the better.

Then it was the inauguration of cheap Chinese labour which was going to produce a boom. It did not. Then tube-mills, central electric power stations, centralized working, and half a dozen other innovations have each in turn been trotted out to help someone get rid of shares, but the promised boom never comes.

Later American mining shares were tipped universally with an unanimity which was truly wonderful. Dredging propositions from the valley of the Sacramento with millions of cubic yards of gravel simply pulsating with golden contents, vied with Mexican mines, where red lodes jostled each other all over the place. The boom never matured. Practically the average share here was bought at top figures.

Home Rails were given a turn occasionally. After their serious slump, there was for a year or two none so poor as to do them honor. But times changes. The air was filled with accounts of the wonderful administrative and operative changes which were coming over our railroad system. There were to be bigger locomotives, more capacious freight wagons, longer trains, electrification, pneumatic signalling and generally economy and efficiency all through the service.

Confiding people, thereupon, brought railway stocks at prices which had been specially raised for them, and these people are still looking for the boom in Home Rails.

Among it is industrial shares, which are to pave the way to fortune and Park Lane. Just in the midst of all the chorus of laudation, however, some of the biggest industrial enterprises have suddenly shaped boldly. The great cotton combine of J. & P. Coats have issued a balance sheet, which admits a decline of a million dollars in last year's profit. Wherever one looks one cannot find the boom.

INSURANCE.

The interest occasioned by the Alliance absorption shows no signs of dying down. The shares of the Alliance have fallen during the week, which was of course only the expected in view of the issue of new shares. The four companies I mentioned last week appear to stand as a correct list.

The Commercial Union will probably feel compelled to go and do something now that the memory of the Hand-in-Hand amalgamation is becoming something of a legend. I have heard several rumours with which the name of the company is connected, and it is obvious to all that the people in charge of the C. U. are fully prepared to go further along the path of absorption. Twelve months more look like seeing half a dozen old names extinguished.

STOCK EXCHANGE NOTES.

Wednesday p.m., Nov. 22, 1905.

The Montreal Stock Exchange decided this week to reduce the rate of commission for buying and selling stocks from $\frac{1}{4}$ of 1 per cent to $\frac{1}{8}$ of 1 per cent, on all stocks selling under 200 per cent, and over 10 per cent, with the exception of bank, insurance and trust company shares. Stocks selling at 200 per cent, or over to remain at $\frac{1}{4}$ of 1 per cent, and stocks selling at 10 per cent, or under 1-16 of 1 per cent. This move places the commission rate of the Montreal Stock Exchange on practically the same basis as New York, and Montreal brokers are now in a position to give the same service as New York. The movement is a serious departure and one that in the meantime will curtail the income of the Montreal brokers, but it is a broad minded movement. The innovation of changing the quotation unit from 25 shares to 100 shares is a decided movement in advance and one likely to broaden the market, and tend to give more reliable and consistent prices for stocks.

The local market in contra-distinction to New York, has had comparatively little advance, and there are several cheap securities on the local list, Montreal Power, Montreal Street Railway, Toronto Railway, Lake of the Woods, and, for a speculation, Mackay Common, are attractive securities. Montreal Power has been under some pressure of liquidation this week, but the selling has been well taken, and the price of the security held firm under the pressure. Montreal Street Railway is asking additional powers, and will likely increase its capital. There is also a possibility of some further benefits to the shareholders through a division of the equity of the Montreal Park & Island Railway Company. In some quarters it is expected that Mackay Common will go on a 3 per cent, basis in January, but, in well informed circles, the opinion is held that 1 per cent, dividend will be paid in January with a further 1 per cent, in April, thus placing the stock on a 4 per cent, basis, and it is on this expectation that the present movement is inaugurated. The general conditions in Montreal are satisfactory, and the outlook for a higher market within the next month or so is decidedly encouraging. Any reaction to lower figures is likely to be of limited extent, and buyers at to-day's prices will likely realize a satisfactory profit.

The ruling rate for call money in Montreal continues at $5\frac{1}{2}$ per cent., although some of the large lenders have advanced their rate to 6 per cent. In New York the ruling rate for call money to-day was $5\frac{1}{2}$ per cent., the highest rate of the day being 6 per cent. The quotation for money on call to-day in London was $3\frac{3}{4}$ per cent.

The quotations for money at continental points are as follows:—

	Market.	Bank.
Paris.....	$3\frac{1}{2}$	3
Berlin.....	$4\frac{1}{2}$	$5\frac{1}{2}$
Amsterdam.....	2 9-16	3
Brussels.....	3 7-8	4
Vienna.....	$4\frac{1}{2}$	$4\frac{1}{2}$

C. P. R. was practically out of the trading this week, and only 15 shares were dealt in. The closing quotation was $172\frac{1}{2}$ bid, an advance of $\frac{5}{8}$ of a point for the week. The earnings for the second week of November show an increase of \$285,000.

The Grand Trunk Railway Company's earnings for the second week of November show an increase of \$61,229. The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day
First Preference.....	112	112
Second Preference.....	102 $\frac{1}{2}$	102
Third Preference.....	57 $\frac{1}{2}$	56 $\frac{1}{2}$