

## Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

### LONDON LETTER.

#### FINANCE.

London, England, Dec. 16, 1905.

In the opinion of the Bank of England authorities floating funds have been getting a little too voluminous, and so this week the Bank made one of its raids, this time on the floating cost supplies, and by borrowing right and left checked the tendency towards excessive ease.

#### INSURANCE.

The British Equitable Assurance Company appealed this week to the House of Lords from a decision in lower courts. The question was whether, having regard to the contract relationships existing between the company and the participating policy-holders, the company was at liberty to alter the provisions of a bye-law in such a manner as to provide for the creation of a large reserve fund, the effect of which would be, until the fund was fully paid up, to reduce the interest to which the participating policy-holders were entitled under the provisions of the bye-law as originally made and sanctioned.

A whole band of learned counsel had argued the matter out months before, and now the company appealed to our final authority. The appeal was allowed, and the company wins what it had lost through the decisions in the lower court.

Lord Macnaghten, with whom the other "noble and learned" lords agreed, said that the case raised an important question. Mr. Justice Kekewich, had held that the company was bound to distribute the entire profits arising from the participating branch, after allowing for certain deductions, among the holders of participating policies. The Court of appeal had confirmed that order on the grounds that a company cannot by altering its articles of association justify a breach of contract.

Lord Macnaghten with all deference to the Court of appeal, held that this was not the question. It was a simple matter of contract between the parties. The plaintiff's policy (one, Bally, acting as representative defendant for all the participating policy-holders) provides for the payment of the sum assured, and "all such other sums, if any, as the company by its directors may have ordered to be added to such amount by way of bonus or otherwise, according to the practice for the time being." The company's right to alter its arrangements is now unquestioned.

THE SALVATION ARMY in this city did a remarkable work of benevolence this Christmas. Over 700 families were provided with the requisites for a dinner and other necessities, and 1,100 children were given a seasonable feast supplemented by gifts of clothing. The means were provided by the novel method of kettles placed at street corners hung as for a camp fire, and a canvass for subscriptions.

### STOCK EXCHANGE NOTES.

Wednesday, p.m. December 27, 1905.

The Stock Exchange being closed on Saturday and Monday for the Christmas Holidays, the trading week only embraced four days, and the business was of a holiday character. Apart from the continued heaviness in Montreal Power, the only interesting feature was the decided buoyancy in Mackay Common which advanced to a new high level. The buying of this stock seems to be of a good character, and the belief that it will be put on a quarterly 1 per cent. basis in April is generally held. If the dividend is advanced, as expected, the stock will likely advance another ten points or so. Even at its present higher level it seems an attractive speculation. The trading in the Dominion Iron stocks has fallen off for the time being, and they were heavy and neglected. There seems a likelihood, however, that a further move to advance the price will be made after the turn of the year, and a certain amount of the Common stock is being quietly picked up in anticipation of such a move.

Money has become decidedly stringent in New York, and rates have advanced phenomenally, call money loaning as high as 90 per cent. to-day. Such rates are of course only for day to day money, and are quite ridiculous, although they cannot help having an effect on the market. Prices which have reacted from the highest may decline further in the meantime. The pressure in New York being to a certain extent reflected here. It is evident that there must be a large amount of good, or time loans in New York. The reaction is natural under the circumstances, and at or around present prices, the majority of the standard stocks are likely to show profits within a short time to purchasers willing to go into the market on a weak day.

Call money in Montreal remains unchanged, the bank rate continuing at 5½ per cent. In New York the rate is erratic, spasmodic and irrational. In London rates are somewhat higher, the ruling rate for call money to-day being 3¼ per cent.

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

	Market.	Bank.
Paris.....	3	3
Berlin.....	5½	6
Amsterdam.....	27	3
Brussels.....	32	4
Vienna.....	4½	4½

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C.P.R. was practically out of the trading this week, only 26 shares changing hands. The stock closed with 172 bid as compared with 173½ a week ago. The earnings for the third week of December show an increase of \$272,000.

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The Grand Trunk Railway Company's earnings for the third week of December show an increase of \$64,462. The stock quotations as compared with a week ago are as follows:—

	A week ago.	To-day
First Preference.....	.....	.....
Second Preference.....	.....	.....
Third Preference.....	58½	59½

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Montreal Street Railway was dealt in to the extent of 95 shares, and closed unchanged from a week ago with 233 bid. The earnings for the week ending 23rd inst. show an increase of \$6,517.79 as follows:—