LONDON LETTER.

FINANCE.

It is unfortunate that so many Canadian industrial investments offered for public subscription on this side have suspicious and unsatisfactory factors about them. There is a genuine interest here in Canada's development, and the people who have learned to "think imperially" take a delight in aiding such development, especially if it means a sound 5 per cent. But in most of the recent instances the ventures laid before them are unreliable.

For instance, this week there is in circulation the prospectus of the Canadian Produce Corporation, offering for sale at $5 each, 186,000 of the whole 300,000 shares. In October, 1898, it had previously the same name, capitalization and objects as the present issue, and one, Col. Josiah Harris was the principal promoter. Times were apparently still unpropitious, for a third attempt to work it off on the public was made in 1902 but unsuccessfully.

An interview, which appeared in 1902, was the means of informing the listening world that at least $500,000 of the capital then would be raised in the Dominion. Evidently, this scheme miscarried, for once more the company's shares are on offer. The object is a good one—trading and dealing in Canadian produce.

Home industries are not, of course, always what would be hoped. Take for example these old objects of criticism in THE CHRONICLE—the textile combines. They have all arisen in the last eight or nine years. Ten of these have a subscribed capital of $179,000,000; the present market value of this is no better than $131,000,000. Many of the shares, too, were issued at a premium, and in the middle and later nineties, when the policy of combination and amalgamation was most strongly in evidence, market prices were high. The $5 shares of the English Sewing Cotton Company, for example, went as high as $22; they are now down to $2.

Many million dollars worth of the above subscribed total have never received a cent of interest or dividend. Another huge slice has only earned a dividend during the past three years. And even where dividends have been paid the average yield is under 3 per cent.

Mention may fitly be made here of a legal decision just arrived at by the House of Lords, which is causing some troubled thinking in the City. The Jarrol Timber Corporation being in need of money a year or so ago, borrowed $25,000 on the security of $150,000 of unissued debentures, engaging to allow the lender the option to purchase the whole or any part of such stock at 40 per cent. at any time within twelve months. The lender, in due course and within the stipulated period, sought to exercise his option. The Company replied by giving notice of the repayment of the loan and by bringing an action to declare the option illegal and void, as constituting "a clog on the equity of redemption." Bound by endless precedents of a sort the law lords have finally decided that the Company is right. It is allowed to escape from an ordinary and legitimate obligation. Fears are now experienced that this application of old precedent to a new class of business may have an adverse effect upon the modern custom of issuing debentures with an option of converting into ordinary shares.

INSURANCE.

There is talk of the impending absorption of the Scottish Employers Liability and General Insurance Company, Ltd., by a "prominent English Company." This is in the region of the obscure, and already the Commercial Union has issued a declaration that it is not the "prominent" one in question. After the dull times, commercially speaking, of the last year or two, one is not surprised to find amalgamation once more in the air. Business becomes harder and harder to obtain, and the whip of competition cuts ever and ever deeper. Those old companies which find themselves out of touch with the modern spirit of hustle are perforce compelled to retire hurt. Thinning out the garden gives the survivors a chance to develop, providing always the crop of immaturities is not too thick.

London, 18th May, 1904.

STOCK EXCHANGE NOTES.

Wednesday, p.m., June 1, 1904.

The labour troubles at the Dominion Iron and Steel Company's works is the only development of importance in this week's market. The demand of the men for higher wages has been before the Company for some time, and the refusal of the advance has resulted in the declaration of a strike. The Company expresses the intention in view of this, of closing the works down for the present, so that the strike has practically developed into a lock-out. The prices of the Dominion Iron and Steel securities declined on the news, but the liquidation at the lower level was of small dimensions, and there does not seem any pressing desire to sell. Confidence in the Company's prospects once these labour difficulties are settled, is evident. There was nothing noteworthy in the rest of the market ,and trading continues very narrow. Dominion Steel Common was the most active stock followed by Toronto Railway and C. P. R., but in no one of these stocks did the sales exceed 700 shares. It seems certain, from the way prices have held in face of dullness, and also from the small volume of selling noticeable at present, that the market has reached a point where any of the standard dividend paying stocks are on an investment basis, either for those buying outright or for those who, buying on margin, can adequately protect their purchases. Those buying at present and holding for a few months, until after the political campaign in the United States is over, will almost surely reap a good profit. Take a stock like Montreal Power, which pays 4 per cent., and returns at its present quotation 5.47 per cent. on the investment, with its immense earning capacity, which is still in the development stage and capable of large increase, with its practical control of the power, heating and both gas and electric lighting in the City of Montreal, as well as surrounding municipalities, it should be a decidedly good investment. C. P. R. should also be a purchase as at present prices it shows about 5.12 per cent. on the investment, and the building of another transcontinental railway will only tend to further develop and populate the Northwest, and benefit directly or indirectly all railways in Canada, and particularly the C. P. R. Its large land interests in the Northwest must also, in view of the rapid peopling of that territory, be kept in view. Also its command of subsidiary lines and its large holdings of stock and securities of theirs. In fact, as before stated, there are many very attractive purchases from a purely investment standpoint to be obtained in the market at present.

The local money market remains unchanged with supplies easy at 5 per cent. The rate for call money in New York to-day was 1 per cent., while the rate in London was 2 to 2½ per cent.

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

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