

action on these lines by the trades who are immediately concerned with Customs' duties will do much to minimise any confusion in our commercial world resulting from this week's political developments.

Money and Consols.

Politics apart, the outlook for the London markets is steadily, if slowly growing more promising. The bank, it is true, retains its five per cent. rate, but everyone is now aware that this is only now being kept on as a measure of precaution against political developments, and that with any clearing of the horizon in that quarter down it will come. The market does not feel the rate as a burden and its retention for a while longer under present circumstances will only serve to make the position of the bank more secure, and prospects further assured.

It is this increasingly favourable monetary outlook which accounts for the rise in consols this week. At the close of the week the premier security is a sixteenth higher at 83 than at its opening, the dividend having in the meantime been deducted. Arguing upon the reasonable assumption that a lowering of the bank rate in the immediate future means a rise in consols, continental speculators have been buying consols on bull account pretty freely. The firmness of the gilt-edged market has spread to other sections of the House, it being widely recognized that the period of depression in our trade is now coming to an end and that steadily, if slowly, conditions are improving.

Canadian Treasury Bills Placed.

The successful placing of Treasury bills by the Canadian Government (to the amount, we hear of two millions and with a six months' currency) has led to a sharp rise in the Dominion Government's $3\frac{1}{2}$ p.c. stock, which quoted at the beginning of the week at 97-00 nominal yesterday changed hands at 99 $\frac{3}{8}$. The terms on which the Bills have been placed are understood to be very favourable to the Dominion Government, but it is more a matter for congratulation that the Government have avoided an issue of stock at the present time since an issue could only have been made at a price which would have been derogatory to Canadian credit. As all the signs are favourable to a long period of cheap money next year—once political complications are out of the way—it would appear that in thus borrowing for a short term, the Canadian Government has done an excellent stroke of business.

Western Canada Timber.

A Canadian concern, which has done very badly, the Western Canada Timber Company, has just issued its report. This covers the two years from March, 1907, when the company began business to March, 1909. During that period the company has incurred an operating loss in British Columbia of £20,608 and a total loss, after payment of debenture interest and administration expenses of £30,628. The directors attribute their want of success to the depression which followed on the United States panic of 1907, the high cost of manufacture resulting from the low daily cut of the mill and the short time during which the mill was run each year—only 68 days in both 1907 and 1908. Arrangements, however, are now being made for the management of the company's affairs

in British Columbia, and the future is anticipated with more confidence. The mill was run 127 days during 1909, the average daily output being 60,029 feet. "Whilst the period under review," conclude the directors "has been disastrous from an operating standpoint, the value of high-grade standing timber has undoubtedly appreciated."

Big Insurance Combine.

The acquisition by the Phoenix Assurance Company of the assets and business of the Law Life Assurance Society is one more instance of a purely life office being absorbed by an institution with a wider field. The Law Life, which was started in 1823, has always enjoyed a high-class connection, but lately it has scarcely been making any progress. The new premiums in 1897, for instance, were £23,328, and ten years later, they were only £27,866, after having in 1899 dropped as low as £17,298. At the close of 1908 the total funds were £5,415,782. The Phoenix dates from 1782. Originally a fire office, it has within recent years absorbed two other companies, and it now transacts life and accident business in addition to undertaking fire risks. Although badly hit at San Francisco, its total funds at the end of last year were £7,332,472. The figures for the combined offices are as follows: total funds, £12,748,254; total premium income life department, £695,144; total premium income fire and accident departments, £1,471,054; total interest revenue, £483,261.

New Trade Insurance Company.

The prospectus has now appeared of the Drapers' Mutual Fire and General Insurance Corporation, a concern which has been formed because, to use the language of trade paper "heretofore the tariff 'ring' policy has operated with crushing effect upon the distributive textile trade." The capital is £500,000, the amount now offered for subscription being £300,000, while the shares which will be of £5 each will have £1 called up. The new company will transact fire, general accident, sickness, third party, burglary, fidelity guarantee, consequential loss, motor car, plate glass and kindred business, and as it has arranged to incorporate a mutual plate glass office started by drapers some years ago, it will not be entirely without business at the beginning. Several of the directors, who are members of the Drapers' Chamber of Trade, have been previously directors of the plate glass company, and all are leading men in the London drapery trade. Bearing in mind the success which other companies appealing especially to particular trades have achieved, there seems no reason why this one should not "go and do likewise." But when supporters of the company declare that drapery trade risks are not abnormally hazardous and are regarded as quite a desirable class of business, one begins to wonder if the promoters are not going into the business of insurance a little too optimistically.

London, 4th December, 1909.

METRO.

THE SHERBROOKE CITY COUNCIL has granted the Sherbrooke Street Railway Company a forty years franchise, subject to the city's right to purchase the property at the end of twenty years. The system is to be extended.