

Northern stock. At the moment it does not clearly appear just where the balance of power of control of the Northwestern properties will lie, but we have good reason to believe that the control will be fully as complete as under the merger, if not more so. Fears have been expressed that the want of moisture in the Southwestern wheat belt would seriously injure the growing crop, but within the last few days, heavy rains have fallen and checked the drought, and saved the crop, which promises to be a very large one.

Exchange has been advancing of late, until the point was almost reached where gold could be exported at a profit, but the decline in the price of cotton and cereals has stimulated the export demand and the exchange made from such shipments will prevent the outflow of gold and will aid materially in settling the payments to be made on account of the Panama purchase, which, in all probability, will be completed this week.

It is understood that the Pennsylvania has invited proposals from the United States Steel Corporation, the Cambria Company and the Lackawanna Steel Company to furnish 50,000 tons of rails for speedy delivery, and that the Lackawanna Company has already booked orders for between 60,000 and 70,000 tons of steel rails for delivery this year. This bears out our contention, though the big consumers see where they can use such purchases to advantage, and further that they do not expect to get them at any lower figures. That this condition is not confined to any one district is shown by the remarks of Mr. Ramsey, the President of the Wabash Road, upon his return from a trip to the southwest, to the effect that the business situation has cleared very much since the decision in the Northern Securities matter, and he now looks for a very prosperous year. The iron and steel situation has grown much stronger during the past few weeks, and as far as he can see, there is no fear in that direction. Railroads have resumed buying and their confidence is being imparted to others more timid.

The market opened strong this morning under improved quotations from London. The volume of business has been larger, and the market active. Union Pacific opened about 85, but has fallen off to 81½, which is not unnatural after the rise which it has had. The rest of the market has held well and some things have advanced a little. It closes active, and while off from the best prices of the day is somewhat above the opening.

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LONDON LETTER.

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FINANCE.

Stock Exchange conditions of business are so depressed here and on the Continent, that by contrast with the gloom of to-day, the pessimism of a month ago is positive optimism. Speculation has died out from Dan even unto Beersheba, and the amount of steady investment business is becoming fine by degrees, and beautifully less. Advertising outside brokers are getting absolutely no replies, call they never so sweetly, and as for the members of the House, their enforced indolence is leading them into mischievous habits.

But, as a sign of the inherent cheerfulness of the people who go down to the city, there is always a promised land to look forward to. It is quite time that these Canaans are occupied one after another, and turn out to be flowing with anything but milk and honey; but such trifles

as those do not disturb our faith. At present "everything is bound to move up" as soon as there has been a decisive battle on the Yalu or thereabout. Should Russia suffer a signal defeat, however, frantic sales by French and German investors might further intensify a slump, which has already caused disaster.

Even the expected brightening up of the South African market, as a result of the plentiful supply of (Chinese) labour for the mines looks like being postponed as a result of the violence of the anti-Chinese agitation here and in South Africa. The ordinance authorizing the importation of the necessary Mongols is being knocked about a good deal to embody the ideas of the Home Government, and it would not be staggering to hear that when that measure eventually becomes law, the mining magnates were to find it more trouble than it was worth.

Turning from the general to the particular, the first annual report of the interesting North British locomotive combine has been published. The capital is ten million dollars, and the preliminary expenses of its floatation a year ago was nearly a hundred thousand dollars. The profits for the year 1903 amount to \$966,000. Of this, \$200,000 are appropriated for the beginnings of a strong reserve fund, where \$25,000 have been put to a special reserve to meet liabilities under the Workmen's Compensation Act, a dividend of 10 per cent. is paid. Apart from the railway companies, which have their own locomotive building plant, there are eight locomotive engineering establishments in this country, employing some fifteen thousand "hands," and turning about fifteen hundred locomotives in the course of a year. The three of these concerns combined in the amalgamation we have been dealing with above, produce 60 or 70 per cent. of the total number of engines.

Every year now, however, the British locomotive manufacturing industry slows down. Everywhere railway companies are reducing train mileage and locomotive expenses, whilst at the same time the locomotive manufacturing of America, Germany and France, takes great strides. South Africa is the British locomotive engineers' standby now, but large hopes are built upon Canada becoming a regular buyer. India should also be a good market ere long.

INSURANCE.

The disastrous fire recently, when seven people lost their lives in the early hours of the morning, at a coffee house in one of the many narrow alleys, which exist in the center of the city, turns attention once more to our the centre of the city, turns attention once more to our appalling lack of life saving apparatus. In 1889, after the fatal fire in Cloth Fair, legislation was put on foot with a view to providing means of escape, and the Factory Act of 1891 was the result.

This was a well meaning measure, but having been left in the hands of some of the London County Council officials for operation, there seems to have been just sufficient misinterpretation to render the Act to all intents and purposes nugatory. According to the measure the precautions to be taken were left to be decided by each set of local circumstances. The officers have usually been content with forcing the construction of a brick and stone staircase indoors.

As the alterations consequent upon doing this in business have meant in some cases \$5,000 per building, besides serious upset to work, it is not surprising that builders, architects and owners have had their backs up over the matter. When, therefore, the L. C. C. tried last year to bring such buildings, as the one where the terrible calamity occurred last week, within the scope of the Act,