

and owners, and where critical, very thorough investigations have to be made, and incidentally many questions asked, a civil, obliging reception means much.

Let us hope that when completed the work may be recognized as a good one and a lasting monument in its way, to the energy, ability and intelligence of all concerned.

Yours,

ARIEL.

TORONTO, 19th Nov., 1901.

### NEW YORK STOCK LETTER.

Office of Cummings & Co., 20 Broad Street, New York City.

New York, Nov. 20, 1901.

The heaviness of the market last Wednesday was followed by a sharp decline on Thursday, and many thought that this was the beginning of a downward movement, for which they had been looking for some time, and were prepared to take advantage of, when certain limits had been reached. But on Friday, contrary to general expectations, the market developed unexpected strength, especially for the coal stocks, Reading selling at 49 1-2, the highest price at which it has ever sold. While this was largely due to the operations of a pool in this stock, the condition of the property warrants not only the above-mentioned price, but a much higher one, for this property will soon be released from the voting trust which controls it, and it is more than likely that the Second Preferred Stock will be retired, which will greatly benefit the Common Stock. Besides this, the payments to the Sinking Fund have already cancelled some \$750,000 of the General Mortgage 4.5, and the retirement of these will, of course, benefit the stock while the earnings continue to be very satisfactory.

Louisville and Nashville is another property that will bear close watching, for while this company has been paying dividends of 5 per cent., it is claimed that it is earning very nearly eleven per cent. The ratio of operation to earnings is 68 per cent., which would go to show that the large earnings are legitimate and are not swelled by amounts which should be expended upon the property in order to properly maintain it. Should the dividend on this stock be increased to 6 per cent., which could easily be done, the stock to return the same amount on the investment that it does now should sell about 126.

As was stated last week, the formation of the Northern Securities' Company, with a capital of \$400,000,000, was to acquire the control of the Northern Pacific, the Great Northern and the Chicago, Burlington & Quincy; while the charter of this company is a very liberal one, there are no unusual features in it. What other roads, if any, will be brought into this combination it is at the moment impossible to say, but the charter specifically provides that the company may purchase, hold, assign, transfer mortgage, pledge, or otherwise dispose of any bonds or other securities or evidences of indebtedness created or issued by any other corporation or corporations, association or associations, of the State of New Jersey, or of any other State, Territory or Country, and, while owner thereof, to exercise all the rights and privileges of ownership.

Not unnaturally, considerable opposition to this company has developed in several quarters, but we cannot believe that it will be effective in any way. The parties in interest have had the best legal advice obtainable, not only here but in different sections of the country through which the roads run. The Legislatures of the various States may compel the Securities' Company to operate the roads separately, but there is no law that we know of that will prevent a man, a firm or a corporation from holding whatever property he may be able to pay for.

The signing of the Hay-Pauncefote Treaty opens the way for the building of an Isthmian canal, which will be an added stimulus to the development of trade with the Pacific Coast and the Orient, which is the trade that the incorporators of the Northern Securities' Company seek to control.

The shipments of gold have already been largely in excess of what was generally supposed would be sent out, but present indications lead us to believe that considerable amounts will still have to be sent abroad before the movement ceases. So far, these shipments have had no very great effect upon the market or upon the rates for money, as to some extent they have been offset by a return flow of funds from the West and by the receipt of some gold from the mining districts. The shipments, however, if continued, will be pretty certain to stiffen the rate for money, which, in turn, will have an adverse influence upon the market. Add to this the uncertainties and more or less apprehension which always attend the re-assembling of Congress, and which this Session are apt to be quite pronounced, especially if the revision of the tariff is brought up for discussion, and it seems to us that, excepting special properties, the market generally it not likely to reach a very much higher level for some time to come, notwithstanding the wonderful prosperity of the country. As an instance of this prosperity, the reports from Kansas are exceedingly interesting and show that the deposits in the National State and private Banks aggregate \$87,181,887, and that the deposits have increased \$20,000,000 since June 1, and this is the state with the short corn crop! That there will be more or less discussion as to changes in the tariff during the coming session of Congress, there is little doubt, and it is already intimated that one of the questions which will receive considerable attention is that of sugar. It would, therefore, appear to be the part of wisdom on the part of those who deal in certificates of Sugar Stock to pay for them in full and avoid trouble later on, providing they wish to hold them. The great and rapid changes which took place in this stock the last time that the question was under discussion in Washington has not faded from the minds of some of those who watched them at that time.

The market has been dull and strong all day, Ontario and Western having been one of the strongest stocks on the list, and has been heavily traded in. Should the engagements of gold for Saturday's steamer be large and the money rate work a little higher, there might be a sharp recession in prices.

### LONDON LETTER.

FINANCE.

Nov. 7, 1901.

The rise in the Bank Rate to 4 per cent. has coincided with a further fall in Consols. These gilt edged securities one day last week touched the very low price of 91 3-4. Many reasons can be given for this unpleasant surprise. Sir Michael Hicks-Beach's speech at Bristol, last week, was calculated to depress a good many people with its hints of further heavy additions to the national indebtedness, fixed or floating. With this was coupled a revival in Boer activity and a set back to our "clearing" processes in South Africa. Then there have been heavy sales of Consols. British investors have, in many cases, been realizing in order to have the 15 per cent. instalment on the last Consols' issue, due this week; and French investors have been clearing out of their Consols holdings in order to have the cash to subscribe for the approaching big French loan. Various other causes, concerned with the European political situation have also operated, but the end of it all is tight rates for money and all-round depression in the stock and share markets.