Affairs in London.

(Exclusive Correspondence of The Chronicle.)

The Americanisation of British Companies—Unsuccessful Operations in Cigars—The Cotton Bills of Lading Dispute—Booms in Metal—An Epidemic of Amalgamations—New Prudential Chairman.

The position of the money market at the present time is creating considerable interest. There is a remarkable plenitude of money. At this time of year there is usually a substantial demand for gold from Egypt. Not only are all the requirements of Egypt being easily satisfied, but there are at present practically no other countries which indicate any desire for gold. The Stock Exchange is exceptionally idle, and, owing to the extensive liquidation in June and July last, there is little difficulty in financing such speculative business as is passing. Moreover, there is no prospect at the present time of any renewal of speculative activity, and the impression that the country is satiated for at least two or three months with speculative holdings gains ground. As a result, there has been a complete cessation of the operations of company promoters.

The Americanisation of British Companies.

Some years ago there was quite a boom in what may be called the Americanisation of British industries. There was Mr. Pierpont Morgan's big shipping combine of English undertakings controlled by American capital. The British American Tobacco Company was also formed to control the tobacco trade in the United Kingdom. As we know, neither of these enterprises have been successful in ousting their English competitors, but at the time they were formed speculators were ready to run after the shares of any company which it was whispered would pass under American control. In 1906 the management of Henry Clay and Bock & Co., the big cigar importers, was transferred to American hands and in the first year a dividend of 30 p.c. was paid. Since that time it has suffered large losses, and the accounts just issued exhibit an accumulated debit balance of no less than £223,400, as at the end of 1909. Partial explanations may be found in a strike of cigar makers in 1907 and the tobacco crop shortage of 1908 and 1909, but it is impossible to hide the fact that a big fall in the earning power of companies appears to follow on Americanisation. The venture of Mr. Selfridge in opening a big store in the heart of the West End of London does not appear to be meeting with any greater financial success, for I note the 5 p.c. debentures are now down to 64-68 per £100. Despite the large page advertisements which have been distributed so lavishly among the newspapers, the comments of the Financial Editors are by no means favourable, and I shall not be surprised to see the price dwindle to 50 per cent. discount.

Cotton Bills of Lading.

Another hitch has occurred in connection with the negotiations between the London and American bankers as to the best method of guaranteeing the cotton bills of lading, to which I have referred in previous letters. The London bankers, who originally met last July, decided that in the case of drafts drawn upon the banks against bills of lading for cotton, negotiated through exchange buyers in America, the banks would decline from October 31st next, to accept against the bills of lading relating to such drafts, unless the genuineness of the bills of lading, both as to signature and as to possession of the cotton by the carrier at the time of issue, be guaranteed by such exchange buyers to the satisfaction of the bank concerned. The New York bankers also held a meeting and made counter proposals, which were rejected by a meeting of European bankers in London this week. The latter offered to meet a deputation of the American Bankers' Association in London. As I write, a cable reaches London to the effect that the New York bankers cannot accept the decision and that "further consideration of the bankers' guarantee is absolutely out of the question, being incompatible with correct banking principles." The New York bankers mention that they would welcome a deputation in New York. Thus the question as to who is Mahomet and which is the mountain appears to have become suddenly of more paramount importance than the question as to the best method of preventing the recurrence of the cotton frauds of last July. As matters now stand no American cotton bills of lading will be accepted after the 31st proximo and the cotton bill business which has hitherto been such an important matter at this time of the year in London, will be at a complete standstill.

The Boom in Tin, and other Things.

I mentioned a few weeks ago the probability of the booms in rubber and oil being succeeded by a boom in tin. This has been taking place in earnest during the past fortnight when the cash price of settlement tin has increased from about £155 to £165 per ton, and there has been corresponding activity in the tin companies whose shares are dealt in on the market. The increased price is due to the restricted character of the tin market and the limited supply of the metal. The demand of the tin plate trade has been exceptional owing to the activity in trade and the favourable conditions for manipulating the market led to the formation of a bull syndicate which has been buying up warrants and getting control of the available supplies. In view of the artificial character of the market too much faith should not be placed by speculators in a continuation of the upward price movement. The number of "booms" and "corners" the speculative public is keeping going, instead of keeping out of, at the present time would be amusing, if it were not likely to lead to disaster. There are rubber, oil, tin, Rhodesian mines, copper, timber and silver. The last-named does not, of course, affect the public except indirectly. The corner in silver is being operated from India, where a strong syndicate of bankers have been buying all the available supplies of silver for some time past and are now reported to be holding up about a million and a half pounds sterling of the white metal.

Rumoured Amalgamations of Cable Companies.

There have been many reports during the past week respecting the amalgamation of cable companies, those mentioned in the matter being the Anglo-American Telegraph, the American Telephone and Telegraph and the Direct United States