

Our London Letter.

MARKETS STILL QUIET.

Immediate Monetary Position Uncertain—Year-End Flotations in London Include Canadian Issues—Grand Trunk and the Great Western—Canadian Northern Steamship Service—Banking Amalgamation—Special Correspondence of THE CHRONICLE for Week Ending Dec. 18, 1909.

While speeches of Cabinet Ministers fill pages of the penny papers day by day and lesser mortals by the hundred are haranguing their fellow men with perfervid passion and energy, the London markets are taking things quietly. The sentiment of Christmas is beginning to hang about the Exchange, and the present account is a much disliked 19-day one with two settlement days awkwardly arranged before the holidays and one afterwards. Business has not been conspicuous by its size and has mostly consisted of investment. The monetary position is not developing quite so well as some of the optimists had anticipated and it would not be now surprising were we to have some bad quarter-hours in this direction before the end-of-the-year corner has been safely passed. As this week's Bank return shows that the resources of the market are at a very low ebb—"private deposits" were at £37,418,000 on Thursday—it is reasonable to anticipate that sooner or later somewhat extensive recourse will have to be made to the Bank for funds. Rates would have shown a harder tendency had bills been more plentiful; but as it happens they have been somewhat scarce.

New Issues: A Cosmopolitan Collection.

In new issues the week has been an active one, and several interesting emissions have seen the light. A Ceylon Government loan for £1,500,000 in 3½ p.c. stock at 98 does not appear to have met with a very cordial reception—a yield of 3.9-16 p.c. is a luxury when there is a fourteenpenny income tax hanging over the heads of the "unearned" income of even the humblest of us. A new borrower is Montenegro, the small eastern European principality which cut something of a figure in the recent Near East crisis, but otherwise does not play a noisy part in the world's affairs. Montenegro has now embarked on the slippery slope of a national debt, having made a modest beginning with £250,000 in 5 p.c. bonds at 97. From Rio de Janeiro there is another novelty, £300,000 5 p.c. bonds at 93 secured on the property in the Brazilian capital of the Benedictine order, who have been established in Brazil since 1584, and own considerable of the property forming the business quarter of the South American capital. From Vienna has come a motor cab company; from the Far East, half a dozen new rubber ventures; from Rhodesia, a new mine; and from Canada the Manitoba and Saskatchewan Coal Company. An issue in connection with this last mentioned enterprise has been made by the Canadian Bank of Commerce of \$250,000 6 p.c. first mortgage sinking fund bonds, due 1st January, 1940. The property owned by the company and now charged for the benefit of the bondholders is stated in the

prospectus to consist of 1,600 acres in fee simple and free from the usual royalty of ten cents per ton near Bienfait, Saskatchewan, 280 miles southwest of Winnipeg, on a branch of the Canadian Pacific. At a depth of 80 feet, there is a horizontal uniform seam of coal varying in thickness from 10 to 13 feet. The work of opening the mine and installing machinery of the most modern character was completed about 18 months ago. The quantity of coal recoverable is estimated at 25 million tons. The present output is 400 tons a day; during the year ended May 31 last, 47,027 tons were sold and it is estimated that in a few years sales can be increased to 100,000 tons per annum.

We hear that a Vancouver Company to acquire real property with a capital of £250,000 will shortly be making its bow in the London market. An issue of \$204,600 4½ p.c. debentures of the city of Fort William, Ontario is also being privately placed on this side. The price is 102½ p.c. The debentures are due in 1924, 1929 and 1939, the money being required for high schools, telephones, electric trams and waterworks.

The Grand Trunk's New Partner.

The announcement, made at a north-country launching of a steamer to be used by the Grand Trunk Pacific on the British Columbian coast, that the Grand Trunk intend to run a new direct service from Avonmouth to Montreal has created much interest. We hear that our Great Western Railway is prepared not only to run a fast service of trains in connection with the new venture, but to take a financial share in the steamship service. If this be true, not only will it be a new departure for an English railway to have an interest of this kind in an Atlantic steamship service, but the Grand Trunk authorities may be warmly congratulated upon having secured as partners in their new venture, a company whose enterprise has become within the last few years almost a household word in England. Up to a dozen or so years ago the Great Western was a lazy, comfortable, aristocratic line thoroughly deserving its cognomen of "Great Way Round." Then it woke up and began a programme of "cut-offs," consolidation and extension that in comparison with the easier-going methods of other English companies is astonishing. It has spent three millions at Fishguard; brought Plymouth by means of "cut-offs" within four hours of London (221 miles) and Bristol within 2 hours (118 miles). It is fast completing the shortest and quickest route between London, Birmingham and the thickly populated Midlands and of its minor works there is no end. Neither is its programme yet finished. By a new line to be opened early in February Avonmouth will be placed within an hour and three quarters of London, and at Avonmouth Bristol is building the Royal Albert Dock at a cost of two and a quarter millions. Great Western train operation is as good as its road construction, and it is certain that so far as the English partners are concerned, passengers by the new route will have nothing to complain about either in speed or comfort. Shareholders of the Great Western, and many financial critics more concerned with present dividends than with the