

INSURANCE.

At the meeting of the Pelican Life Office last week Lord Avebury very carefully directed attention to a matter which is often forgotten by British policyholders. About a half century ago Parliament, in the hope of encouraging thrift in the form of life assurance, authorized policyholders to claim exemption from income tax in respect to that portion of their income (not exceeding one-sixth) devoted to the payment of their insurance premiums, and to obtain a refund when the tax has been previously deducted.

As Lord Avebury pointed out, when the tax is high this is a substantial boon. At the present rate of six cents on every dollar of a man's income the Government by means of the rebate pays the premium for thirty-one dollars out of every five hundred dollar policy.

Business amongst the leading companies shows no pronounced development at this time of the year except that the publication of reports and accounts helps the business of first one office and then another. Accident business is perhaps the liveliest just now.

NEW YORK STOCK LETTER.

Office of Cumming & Co., 20 Broad street, New York City.
New York, May 21, 1902.

Aside from the strike of the coal miners, which has naturally held a prominent position in financial affairs this week, one of the principal matters of interest has been the meeting of United States Steel Corporation and the ratification of the proposition to convert \$200,000,000 of 7 per cent. Preferred Stock into 5 per cent. Second Mortgage Bonds.

Regarding the former, it is a well-known fact that at the time when the miners threatened to strike in the summer of 1899, great pressure was brought to bear upon the Railroad Presidents and operators to adjust the matter, in order that nothing in the way of such troubles should interfere with the Presidential Election then about to take place in November. The effort was successful and the miners secured an advance at that time. But the Railroad Presidents and operators well knew that it would not be long before greater demands were made upon them, and then a fight was bound to come, consequently, when the recent demands and threat to strike were made, they concluded that the issue might as well be met now as it was a time when a minimum of loss and trouble would result. In view of these facts, it is, therefore, not surprising that the Railroad Presidents and operators should be in a measure prepared for such an outcome. Some of the men realized this situation, and, consequently, there were a large number who did not favour the declaration of a Strike. Now that it has been declared, it is not difficult to see or judge what the outcome will be. It is only a question of time, but how long a time, no one can tell when the men will be obliged to return to work on such terms as the operators see fit to concede to them. To what extent it may grow, or what troubles may arise over it no one can tell, and it is this which is now having a repressing influence upon the market. The meeting of the United States Steel Corporation is an event of more than usual interest. In the first place the astonishing proposition to turn \$200,000,000 of Preferred Stock into a bond with foreclosure powers, is one to make thoughtful investors pause and consider well as to the present condition of things when such a proposition can be made and carried out, and the cynical can hardly be blamed for the suspicion that some of the parties in interest wished to have an anchor to windward when the storm breaks. At the meeting, a count of the profits was made and it was found that the Proxy Committee appointed by the Corporation held 3,739,-

238 shares of Preferred Stock out of 5,084,863 shares outstanding, and 2,956,245 shares of Common out of 5,064,734 shares outstanding. Perhaps one of the most interesting if not vital questions in this matter would be to know how many of the above proxies represent undistributed stock or that held in first bonds, for, notwithstanding the large transaction in these securities, there are very few people who believe that they have been distributed to anything like the extent that first holders would have liked to have them, and it is a good question if this enormous mass of securities is not a menace to the general financial situation. The decrease in the item of Loans in the Bank Statement of Saturday, of some \$22,000,000, bears out the belief expressed in our letter of last week that the Banks would be obliged to strengthen their position. Since March 1, these institutions have reduced their Loans some \$50,000,000, but this contraction has been somewhat offset by the influx of outside capital. Rates for money are tending downward, and should they go much lower, we would not be surprised to hear of gold shipments again.

The Webb-Meyer affair brings forcibly to mind the remarks in our letter of April 16, last, relative to the responsibility of Directors of Corporations to their Stockholders, and if current rumours are to be credited, it is more than likely that the officials of some of the properties in which the Syndicate were interested, will be called upon for full explanations for some of the transactions which were made. The report of the St. Lawrence and Adirondack, for the quarter ending March 31, is not pleasant reading for those interested. According to this report, the net earnings decreased \$3,635, and the balance sheet shows that where there was a surplus in 1901 of \$9,254, there is now a deficiency of 422,720. The net income is given as \$587. The last dividend paid was March 1, 1902., 2 1-2 per cent. It is possible that large amounts have been used for betterments of the property, but explanations would certainly seem to be in order as to why dividends had been paid in the face of such a reduction of income. Interesting developments may be looked for in this quarter before many months elapse.

Some time since we called attention to the fact that Canadian Pacific was growing in favour and activity in this market. Within the past few days this Stock has gone from 127 to 135 3-8, and it is said that 150 will be crossed before the movement terminates. Just what has caused the advance at this particular time, it is hard to say beyond the fact of the generally conceded, very prosperous condition of the property.

The general business of the street is very quiet, the Stock market to-day having been dull until within the last half-hour, when it developed both strength and activity, and closed at about the best figures of the day.

ALLIANCE-IMPERIAL AMALGAMATION.

By cable advice Mr. P. M. Wickham, manager of the Alliance Assurance Company, has been notified by his head office that his appointment as manager for Canada of the combined business has been ratified. Mr. Wickham has received many congratulations from his insurance friends and many others on the appointment, and THE CHRONICLE is also pleased to extend its congratulations. He was connected with the Queen Insurance Company for 27 years being 18 years its inspector, becoming manager of the Alliance in 1896.