The better way is reckoned to be the basing of the business on selected risks, and a small but profitable income. Cautious progress of this kind enable a young company (and they are all pretty young in this class of underwriting) to build up substantial reserves. Able direction and good management should then do the rest. To go in for get-rich-quick method is as fatal to a corporation as to an individual.

The market success achieved by the pioneer Canadian life office which came over here has led to its example being copied by many Australasian organizations. For example, the Colonial Mutual, of Victoria, has endeavoured to mend that rent in its fortunes which was caused by the smash in Victorian credit some years ago by coming only into the British Macedonia, and helping itself whilst it helped us. Its position is now getting fairly strong over here.

Arrangements have been made whereby the curiously named Excess Insurance Company will liquidate the credit insurance business of the Commercial Union so far as the insurance of individual accounts is concerned. All the way round credit insurance seems to be in a bad way in the United Kingdom. Company after company has taken it up. The infinite possibilities, however, which they have seen in it have dwindled down to very poor realities.

VALUE OF A LLOYD'S POLICY.—Referring to the Lloyd's case stated in our last issue, "The Review" takes the position we expressed. Our contemporary remarks: "It is now legally decided that all the names that are supposed to back any specific underwriter must be specifically communicated with, and their personal authority given to the insured, before the security becomes a legal one. Then the British Marine Mutual Insurance Association sued, on account of a ship, the "Van Stabel," three of the so-called backers of Mr. Burnand, and those gentlemen repudiated any such liability. The value therefore of a Lloyd's policy has become seriously impaired, and it will be necessary for the Committee of Lloyd's to take immediate action if a Lloyd's policy is to have any reputation left."

PACKING-HOUSES.—Fire insurance companies will, in future, doubtless be more wary in their acceptance of lines upon packing plants—for a while, at least. The recent heavy losses on this class of risks have hit about all the domestic and foreign companies and Lloyd's, some of them pretty heavily. It is apparent that greater precautions should be used to avoid fire in these oil-soaked plants. An investigation of the circumstances surrounding the fire in the Hammond plant at St. Joseph, Mo., conducted by S. H. Lockett, manager of the Insurance Survey Bureau, led him to say:—

"Relative to future acceptances of packing-house business there are several objectionable features, which, while they can be guarded against, seem to be invariably connected with such risks, and even when corrected these deficiencies return. The fire walls should be true fire walls and their integrity is destroyed if they are pierced. A total loss may be expected in any of the large area sections of a packing plant when a fire once gains headway. Only small lines should be taken.

The fire referred to is said to have been caused by the spontaneous combustion of greasy clothing left by workmen. With an ever-present hazard of this nature every precaution should be taken to prevent the spread of a fire due to this or a similar cause, by providing fire-proof closets and other receptacles, in order that danger-breeding spots may be segregated.—"The Spectator."

## STOCK EXCHANGE NOTES.

Wednesday, a.m., August 5, 1903.

The Stock Market has had another dull week. There has been, indeed, a dead calm without wind enough to keep the sails extended, or the vessel in motion The situation is a waiting one, but what is being waited for is not clear. There is nothing in a state of suspense or uncertainty of a financial or trade character that can affect the Stock Market. The great factor of the year, the harvest, is now being gathered, and its abundance is beyond doubt. August sees the opening of the annual harvest business which creates a great demand for money, principally in October, as up to September the current loans do not expand to any appreciable extent. Last year, the loans in September were the same amount as in May, but in October they increased to the extent of ten millions, but the deposits also increased in September and October to that amount, as they probably will this year, so as to provide harvest money without any special drawing upon bank resources. It is not the short supply of money that is keeping the Stock Market stagnant, nor prospect of money being tight in a month or two, for money is not generally speaking scarce, nor is there good reason to anticipate any material advance in rates when the harvest demand culminates in October and early in November. The tendency of prices during the past week has been to a lower level, owing to the uncertainty concerning the New York market, and some failures which were being discounted. The dissolution of the connection between the Dominion Iron and Steel and Dominion Coal interests has had the effect of depressing both stocks. The former, Dominion Iron Common, has declined from 13½ to 9¼, and Dominion Coal from 96 to 84. This is an unexpected result, as Dominion Coal was thought to be likely to rise when placed on an independent footing, and it undoubtedly will, as soon as a positive announcement is forthcoming that details have been arranged. The absence of such announcement, which is the cause of much anxiety, is unfavourably commented upon. When it is made, it will have a reassuring effect, not only on the Coal and Steel stocks, but on local shares generally.

In the New York market there has been a depression caused by a belief that the United States Steel Corporation will pass its dividend on Common stock, the profits to be applied to strengthening the Company in equipment and finances. The New York banks are reported to be in a better situation to meet the season's demand than in any time in the last three years. The time money market stands at 4 per cent. bid, offered at 5 for 90 days up to 4 months. The New York banks are carrying a surplus reserve of $24,000,000, which, with other favourable conditions, is regarded as rendering the autumn outlook free from anxiety.

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The rate for call money in New York to-day was 2½ per cent., and in London the rate is 1½ to 2 per cent. Locally the rate continues at 5 to 5½ per cent.

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The transactions in C. P. R. this week totalled 1,283 shares, the greater portion of which changed hands today at between 120 and 121. The highest the stock touched this week was 123, and it closed to-day offered at 120¼ with 120¼ bid, a decline of 1⅝ points for the week. The earnings for the last ten days of July show an increase of $164,000.

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The Grand Trunk Railway Company's earnings for the last ten days of July show an increase of $178,011. The stock quotations as compared with a week ago are as follows:—

| | A week ago. | To-day. |
|---|---|---|
| First Preference | 112½ | 112½ |
| Second Preference | 98⅜ | 98⅜ |
| Third Preference | 50⅜ | 49½ |