

FLEXIBLE CORDS in connection with electric installations are apt to become a source of danger. The covering gets worn away, in which case if the cord touches some metal a circuit may be established that leads to a fire.

A BAD START.—"Insurance World" announces the incorporation of the "Sick Mutual Benefit Society," of Milwaukee. "The Life Insurance Independent" remarks: "They are all that way sooner or later, but not usually born so."

THE DIRECTORS OF THE GENERAL ACCIDENT ASSURANCE CORPORATION have decided to commence foreign fire insurance business on 1st October next, and have appointed Mr. Louis I. Jarvis, late of the Alliance, as manager, with offices at 115 and 117 Cannon St., London, E.C.

THE HARTFORD FIRE INSURANCE COMPANY is reported to have re-insured the business of the Reading Fire Insurance Co., of Reading, Pa. The New York "Commercial Bulletin" says:

"The Reading was incorporated in 1867. Four years ago its stock was purchased by the Scottish Alliance, and Mr. Thos. H. Scotland, then with the Hartford, was appointed vice-president and secretary and managing underwriter. The company has been successful, but the directors of the Scottish Alliance desired to withdraw from the American field. The Hartford has acquired a very good lot of business, particularly in Eastern Pennsylvania, where the Reading has excellent connections."

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK STOCK LETTER.

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

New York, Sept. 24, 1902.

To those who have carefully followed these letters the present condition of the market should not cause surprise. The time has arrived when it will be the proper thing for the big traders to make the market look as sick as possible, in order that they may cover their short contracts and replace the stocks sold, and, while they may make considerable noise in doing this, we believe that we do not err when we say that there is no real danger to be apprehended.

It is only right and natural that after the rise which has taken place since the middle of July, that there should be a considerable decline, and it was inevitable that those who bought at high figures and on slim margins should come to grief; those who did not overload and are able to take care of their purchases will not only come out whole, but will make a profit, and that in the not distant future. The present decline should run its course by the 4th of October. Next to January and July the most important dividend and interest periods are April and October, and the amount to be disbursed on the first of the coming month is larger than it has ever been before, and, consequently, from now until that time, the contraction of loans in order to provide for these payments will be considerable. It is, therefore, an opportune time for those who desired to bring about a decline to make their move, for the measures taken to avoid the real danger which threatened the market should begin to be apparent by the end of this week. The deposits by the Treasury in the National Banks should begin to show about this time the funds, for the increased circulation taken out by the banks are being delivered, and the purchases of gold should begin to arrive about next week. The deposits will aggregate nearly \$10,000,000—

the increased circulation will approximate \$10,000,000—while the imports of gold in transit are nearly \$8,000,000. Consequently, after the October interest payments are made and the short contracts covered, we shall be very greatly surprised if it is not found that there is sufficient money with which to do business, and our advice at the present time is to buy on all of the sudden drops, but buy only such things as have intrinsic merit and are bound to sell higher, and which have a broad market and can always be traded in.

The Wabash report given out during the week says that the expectation of a continuation of prosperity during 1901-1902, set forth in the Annual Report of 1901, were more than realized, each month showing an unbroken record of increases. The estimate of earnings was exceeded by over \$1,000,000. Although \$666,808 was spent for new tracks, shops, etc., and \$550,000 for new equipment, the report says there is still much to be done before the property will be in a condition for such economical operation as will enable it to meet the competition of its neighbours, and still show satisfactory net earnings. The plans for the development of this property are extensive and will require a very large outlay, but, when made, the property will be one of the most important in the country, if the reports which have been current of late are correct.

These stated that it is proposed to bring into one combination the Chicago, Milwaukee & St. Paul, the Missouri, Kansas & Texas, the Missouri Pacific, the Denver & Rio Grande, the Rio Grande Western, the Rio Grande Southern, the Wabash, the Western Maryland, the Wheeling & Lake Erie, the St. Louis & Southwestern, the International & Great Northern and the Texas Pacific.

The Illinois Central report, also given out, is a very favourable one, and shows a surplus of \$9,790,462, equal to about 10 per cent. upon the present capital. In betterments of the property there has been spent during the year \$8,097,647, of which \$268,412 was charged to betterment funds previously provided, and \$4,340,172 defrayed from current income, the remaining \$3,489,062 being charged to capital.

Last, it was apparent that the market would be lower this morning, and the opening bore out the indications of that time. The transactions were large and prices melted away at a rapid rate towards mid-day; however, there was a feeble rally only to be followed by another decline. In the afternoon there was a recovery of one to two per cent., but it looks as if there would be more liquidation before there is a substantial turn for the better.

LONDON LETTER.

September 12, 1902.

FINANCE.

My thoughts are again directed to the old question of the comparative failure of trusts and combines in England by the disastrous report just issued by the English Sewing Cotton Company. This concern is an amalgamation of 15 competing business made in 1897, the purchase price paid to the owners by the public being almost \$9,000,000. Though so young, its career has been steadily downwards until for the last completed twelve months of trading a loss of \$635,000 has been registered.

Preference dividend has not been earned out of revenue since April, 1900, and has not been paid at all since last September. Although the total capital is \$15,000,000 the reserve has been gradually reduced from \$1,000,000 to \$625,000. Yet "goodwill" is still appraised in the accounts, at just upon \$2,750,000—which is extraordinary for a business in a state of collapse.

In the general departments of the Stock Exchange the one devoted to Home Rule is absolutely the weakest. The communication from an American correspondent, which