

Take the case upon which the Court of Appeal has just entered a decision. The late Sir Henry Peek effected, with the Commercial Union and Insurance upon the life of his son, Cuthbert, and paid up all the necessary premiums. When Cuthbert Peek married, Sir Henry, with the son's approbation, assigned the policy to trustees who were to invest the money when received, and to pay the income to the son's widow. Upon Cuthbert's demise, the Commercial Union paid \$71,000 to the said trustees, and it was estate duty upon this sum that the Crown claimed, and the trustees protested against.

As a matter of fact, the trustees win, but the finding of the court is worth notice. First of all, as Sir Henry had no insurable interest in his son's life, the policy, in the beginning, was illegal and void under an old Act of George III. But as the Commercial Union had paid the money, though not legally bound to, the Act of the third George was considered as non-existent in the present case.

When the Court found, however, that the Crown was quite right in asserting that the policy was "property" and "interest," within the meaning of the Finance Act, the trustees must have felt that they stood a poor chance of combatting the impost. But when the learned judges declared that Sir Henry, and not the son, had "provided" the property, and that, therefore, the Crown could not tax it as part of the son's estate there was great rejoicing.

It will probably be taken to the House of Lords, but if the same defence holds good there, we may expect to see a marked outburst of this kind of insurance, the obvious intention being to prevent the robbery of heirs under the cover of levying death duties.

STOCK EXCHANGE NOTES.

Wednesday, p.m., January 13, 1904.

While prices have generally held firm throughout the week, the volume of business still remains small. The market is a waiting one, and there seems little inclination to trade. The situation in the Far East continues to be the dominating factor, and until some assurance as to the course events are going to take in that quarter is received, much improvement need not be looked for. There are, however, many who consider that the declaration of hostilities would be rather beneficial. Of course, a peaceable settlement would be far preferable. The standard stocks continue to offer attractive inducements for investment at the level at which they are selling, but, nevertheless, the unsettled conditions both monetary and political, are keeping possible purchasers out of the market. On the other hand, speculative traders are disinclined to take the short side with stocks selling at prices below their intrinsic value, and with possibilities of peace being maintained. An arrangement of the differences between Russia and Japan, which would remove danger of a conflict, would, no doubt, be the signal for a sharp advance in prices. An unfortunate factor in Canadian conditions has developed this week through the fact that the second payment due in Toronto, on account of liabilities has not been met. This has, of course, again aroused fears that the stocks which this firm is carrying may be placed on the market. Under present conditions, this would be a serious matter. It has been stated, however, that some arrangement to obviate this difficulty may be arrived at. In the meantime, the default has been seized upon by the Bears to make an attack on Dominion Coal Common, and

a sharp break took place in this stock to-day, although it recovered from the lowest price touched before the close of the Board this afternoon. Dominion Coal Common and Montreal Street were the two stocks showing losses from last week's quotation, the rest of the market having about held its own, and in some cases even improved slightly in quotation, although the highest of this week has not in any case been held. C. P. R., Twin City and Nova Scotia Steel were the most active stocks in this week's market, followed by Montreal Power, Dominion Coal Common, Dominion Steel Common and R. & O. In the latter stock a sharp advance was scored, the highest price of the week being reached this morning.

Call money rates in Montreal remain at $5\frac{1}{2}$ per cent., and supplies are not yet easy. In New York the call rate to-day was 2 per cent., and the London quotation was $2\frac{1}{2}$ to 3 per cent.

The quotations for money at continental points are as follows:—

	Market.	Bank.
Paris.....	2 $\frac{1}{2}$	3
Berlin.....	2 $\frac{1}{2}$	4
Amsterdam.....	3 $\frac{1}{2}$	3 $\frac{1}{2}$
Vienna.....	2 $\frac{1}{2}$	3 $\frac{1}{2}$
Brussels.....	3 $\frac{1}{2}$	3 $\frac{1}{2}$

C.P.R. closed with 116 $\frac{1}{2}$ bid, a gain of $\frac{5}{8}$ of a point over last week's closing quotation, on sales of 1,356 shares. The earnings for the first week of January show a decrease of \$97,000.

The Grand Trunk Railway Company's earnings for the first week of January show a decrease of \$65,729. The stock quotations, as compared with a week ago, are as follows:—

	A week ago.	To-day.
First Preference.....	111 $\frac{1}{2}$	111
Second Preference.....	96	94 $\frac{1}{2}$
Third Preference.....	42 $\frac{1}{2}$	42 $\frac{1}{2}$

The closing quotation for Montreal Street was 202 bid, a loss of 2 full points, as compared with last week on sales totalling 273 shares. There were no transactions in the New Stock, and the closing bid was 196. The earnings for the week ending 9th inst. show an increase of \$3,177.98, as follows:—

		Increase.
Sunday.....	\$4,774.84	\$ *4.34
Monday.....	6,129.32	27.87
Tuesday.....	6,050.00	122.92
Wednesday.....	6,252.69	618.22
Thursday.....	6,302.36	793.16
Friday.....	5,944.32	1,053.24
Saturday.....	6,265.44	622.65

Toronto Railway closed with 98 bid, a gain of $\frac{1}{8}$ point for the week, and 586 shares were traded in. The earnings for the week ending 9th inst. show an increase of \$5,383.85, as follows:—