

special session of Congress will be called early in November for the express purpose of considering financial legislation, and this should tend to keep things quiet and rates down.

Notwithstanding the enormous sums spent by the various roads during the past year or two for equipment, reports from Kansas are that the grain movement is already badly hampered by the lack of cars. As a result of this, farmers cannot make shipments, and this will make the movement of grain to market slow, and will have an important bearing on the western financial situation.

Reports from other sections are to a like effect; so that it would appear that railroad earnings are not likely to show any falling off for some time to come. This is an important matter, especially for those roads which have recently been large borrowers of money, for if the present level of earnings can be maintained, such loans can be largely reduced, if not entirely paid out of earnings particularly if a curb is put upon expenditures for improvements as has already been done by some corporations.

Reports from Texas as to the cotton crop are that it now presents a most promising aspect. Notwithstanding the fact that the crop is thirty days late as compared with average years, every other feature is satisfactory. This is good so far as it goes, but there is still some time to change these conditions, but with good weather a large crop is assured, and this should do much to break the present corner in that staple.

The investment absorption of securities has made steady progress, and this with the European buying has relieved the market of a great weight. The market to-day has been quiet but sufficiently strong to take considerable liquidation which has occurred during the day. It closes a shade off from the best.

20 Broad Street.

T. C. DELAVAN.

LONDON LETTER.

London, July 16, 1903.

FINANCE.

When times are dull it may seem paradoxical to find the "Times" so cheerful. I, of course, in the latter case, refer to the famous organ of public opinion here. Its city editor prophesies that very shortly Consols are going to par. This is an astounding statement. No where can the ordinary human see the faintest sign of coming activity in stocks and shares. Money gets harder and the holiday season is now in full swing.

The opinion of the City is growing to be most decidedly in favour of preferential treatment of the British colonies. More and more widely Mr. Chamberlain's view that the free trade policy, as practiced in this country for the past fifty years has been injurious to our trade, is being held.

Great Britain's need for closer union with her colonies follows, from one point of view, the trend of her people's investments. For many years now, we have been withdrawing more and more from the International market. Once upon a time the British holding of Continental bonds was pre-eminently large, whilst we held practically all the bonds of extra-European countries. To-day, all this is changed. Even in such things as Egyptian securities France has probably a bigger holding than England. Very few investments are now being made in South America, and even American Ralls have been got rid of in enormous quantities during recent years.

Whilst this has been going on there has been proceed-

ing simultaneously tremendous investment in securities of the British Empire, this, including South Africa, a country even when partly "foreign" was inevitably bound to become a portion of the King's dominions. In Rand and allied mining shares we probably have \$1,250,000,000 invested and only the other day we lent the Transvaal \$150,000,000. As much again is to follow in instalments.

Another way in which this increase can be traced is from the income tax returns of the Commissioners of Inland Revenue. In 1881 our income from foreign and colonial investments was \$150,000,000; ten years later it was \$290,000,000, whilst in 1901 it was \$313,000,000. Bearing in mind my statement of the contemporary decrease in our foreign commitment, the increase in the colonial section becomes more striking still. Estimating the average dividend or interest to be 5 per cent., we get a total foreign and colonial investment at United Kingdom savings to the time of over \$6,000,000,000.

INSURANCE.

Insurance advertisements are just now replete with statistics. Some confine themselves to telling in large type how much the lately declared reversionary bonus amounted to; others give their premiums for the last completed year with the amount of increase over the previous corresponding period; whilst others again announce the amount of their nominal and paid-up capital. These latter are very conservative, however.

One industrial assurance company has confined its advertisement for years past to the statement that it was in want of "respectable, energetic men" to canvass for weekly premium business. The Prudential just advertises its name, address and amount of invested funds; and as these latter now amount to \$235,000,000, the advertisement is quite effective enough in its simplicity.

The newly arrived Canada Life also goes in for simple displays with plenty of "white" around them, and seems to be obtaining an excellent response to this method of calling attention to the excellence of the society's offers.

Here are a few records in insurance figures. The London Life Association, a mutual, non-commission office, has in hand \$45 for every \$100 assured; last year the average policy issued was of the face value of \$7,500; and the expenses ratio was only $\frac{4}{3}$ per cent. of the premium income.

This society has a number of curious methods of its own. Its profit system takes the form of premium reduction, ranging from 56 to 111 per cent. Of course, in the latter instance, the policyholder pays no premium at all, whilst a sum equal to 11 per cent. of the premium is added to the face value of the policy. There is also a half-premium system, whereby half the premium can remain at loan at 4 per cent. Eventually, the loan and interest are worked out by the automatic reduction of premiums.

OUTSIDE SOLICITORS OF FIRE INSURANCE.

To Editor of THE CHRONICLE:—

SIR,—The attention of the Managers should again be called to the manner in which fire insurance is now being conducted. There are too many outsiders who are drawing commissions on the business, instead of the Agents. They give the business to the companies which offer the most commission. This should not be allowed. No person should be allowed to canvass for fire risks unless he is an authorized agent, and no commission should be paid, except to the recognized agent of the company.