

Heavy gales have been experienced round the Coast this and last week, and the marine underwriters have had to consider a good many claims. In fact, so numerous have they been that in many cases the underwriters have pointed out that bad and negligent navigation was the cause of much of the trouble. It is suggested that there are plenty of skippers who want the lesson driven home to them that vessels do not run on lines like trains, and that careful navigation is a continual necessity.

In these days when amalgamations are so frequently spoken about and argued upon, it may be of interest to recall the experience of a couple of offices which combined in 1895, and have thus had six years' experience of this kind of complete partnership. The National Mutual is a contractor of the National (1830) and the Mutual (1834) and it might be remarked in passing that the National had earlier absorbed an office called the Whittington.

The combined premium income for the last year of the single independency of the two societies was \$987,540. It has fallen by degrees to \$875,000. There has been a little experience in the expense ratio, however. For 1894 it worked out for the two offices at about 16 p.c., but had worked down to 14 p.c. for 1900, and a fraction over that for 1901. One more comparison: The new business has fallen off from over two and a quarter million dollars to under a million and a half.

NEW YORK STOCK LETTER.

Office of Cummings & Co., 20 Broad Street, New York

New York, February 19, 1902.

The expectation that the past week would be a quiet and rather irregular one has been fully borne out by the events. Some few specialties have shown activity, and all have shown a remarkable degree of strength which, should the decision of the Supreme Court be in favor of the Northern Securities Company, would undoubtedly broaden out and result in a very active and rising market, but at the moment there is considerable manipulation.

We have before called attention to the strong position of the Reading Securities. The London "Statist" has taken up the matter and shows by analyzing Reading's unpublished earnings and expenses for betterments that a surplus of over \$6,000,000 exists, which is enough to pay even 5 per cent. on the \$70,000,000 common, and leave a surplus of over \$200,000, after taking care of the two preferred issues at 4 per cent. Now that the second preferred has been largely bought up credit is being given to the report that, when the fiscal earnings to June are determined, a dividend of from 3 to 4 per cent. will be declared on the second preferred before it is retired for one half first preferred and one half common. With such a showing as this it can readily be seen that the position of the common stock will be greatly improved and that it should have a handsome advance in price. Wabash has been strong all the week and has sold as high as 72½ for the Debenture B's and 25¼ for the common. We believe this to be a purchase every time that it runs off. Amalgamated Copper Steel holds its place on the speculative boards as one of the "mysteries." To those who can purchase this stock outright and lay it away, there is a possibility of making considerable money on it, as we understand from a most reliable source that some of the larger mines are producing copper at a cost of not over 7½ cents per pound; consequently, if the Company gets 15 cents for the metal, it is making a very handsome profit, and even at 11 cents per pound, there should be enough for some kind of a dividend. There have been rumours that the next dividend would be passed. Should this be done, we could only look upon the action as an effort on the part of insiders to shake out weak holders and acquire their stock, a proceeding not unknown in the annals of the stock business, but none the less reprehensible. Within the week copper has sold at 72½ and 67¾, and is now about 70.

The announcement by the Brooklyn Rapid Transit Company of the contemplated issuance of \$150,000,000 of 4

per cent. bonds came as a great surprise to the Street. In the statement given out by the Company it is stated that the Brooklyn Rapid Transit Company is a securities' holding company and the mortgage is to cover all the stocks and bonds and other property of every description now owned or hereafter to be acquired by the Company, subject only to the lien of the present Brooklyn Rapid Transit \$7,000,000 mortgage, provision for the retirement of which, as well as of the outstanding bonds of the other companies of the Brooklyn Rapid Transit System, at maturity or sooner, is made in this proposed mortgage. The outstanding bonds amount to some \$61,065,000, thus leaving about \$90,000,000 for the betterment of the property and for extensions and branches. There is no question as to the fact that the entire Rapid Transit System of Brooklyn needs a vast amount of improvement, but such improvements would not call for the large amount of bonds to be issued. It is, therefore, quite evident that some scheme of consolidation or improvement of new territory is contemplated by the board. In either case, it is a problematical question as to how the Company will earn sufficient to pay the interest on this vast amount of bonds and have anything left for dividends on the stock. Naturally, the knowledge of this proposed issue gave the stock a chill and sent it down from 67¼ to 60½, being now about 62¾.

The district served by this Company has been growing at a most rapid rate, induced largely by the transportation facilities afforded, but whether a new district would build up sufficiently fast to carry the operating expenses and interest charges is one of the things which the future alone can tell. One thing, however, stands out sharp and clear, and that is that Brooklyn Rapid Transit stock is a very dangerous one for any one to have anything to do with on margin for some time to come.

The First Annual Meeting of the United States Steel Corporation was held this week, and was a most interesting occasion. One of the features of the meeting was the statement, by the presiding officer, that the Company desired that any stockholder present should examine the books of the concern to his satisfaction. The main books were on hand and opened on the table.

It is said that there is a plan now under consideration for the conversion of a part, if not all, of the United States Steel Corporation preferred stock into a 5 per cent. bond. This stock has paid 7 per cent. dividends, and if funded into a 5 per cent. bond would allow 2 per cent. more to be paid upon the common stock, but it would be a fixed liability, the ultimate outcome of which might be fraught with serious consequences to the common stockholders. We cannot think it a wise move to turn existing partners into creditors.

Railroad returns continue upon a large scale, and the interior is beginning to draw funds from this centre, both facts tending to show the enormous business being done by the country.

The market has been dull and strong all day. Saturday being a holiday, it is not likely that there will be much more activity this week.

Tennessee Coal & Iron has been one of the active stocks of the day, showing an advance from 66½ to 70.

The market closes strong.

RECENT LEGAL DECISIONS.

SEIZURE OF BANK BILLS BY SHERIFF.—A superannuated civil servant presented his superannuation certificate at the wicket of the Bank of Montreal, at Ottawa, being the bank which paid superannuation allowances for the Dominion Government. The teller counted out the money payable, and placed the bank bills on the edge of the counter. Before the civil servant had touched them, the money was seized by a sheriff's bailiff, under an execution against the superannuated servant. In the proceedings which followed, Mr. Justice Falconbridge has held, affirming the judgment of the local Master at Ottawa, that the property in the money had passed to the individual presenting the certificate as soon as it was placed upon the edge, and therefore the execution creditor was entitled to retain it. (Hall v. Hatch; Bank of Montreal v. Hatch, 22 Canada Law Times 58.)