

Correspondence.

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

NEW YORK INSURANCE LETTER.

Naturally, the subject of absorbing interest to that large portion of the public hereabouts, concerned in insurance, is the past and forthcoming life insurance inquiries, and the effect which they may have on the life insurance business. To those familiar with insurance matters, the appointment of the legislative committee to investigate the companies doing business in the State seems foolish and supererogatory. The committee starts in with a prejudice against the business, and it is to be feared that fair treatment can hardly be expected, when the make-up of the committee is considered. One of the committee is Senator Riordan, whose ridiculous bill affecting insurance journals will be well remembered.

Speaking of investigations, the unfortunate Equitable is likely to have enough of it. First, the Frick Committee had it in hand, then Mr. Morton, now elected president, set in motion a searching inquiry; now the District Attorney seems about to take action, and, finally, or perhaps not finally, the legislative committee will sport about while having fun with the great Society's interior. Now, we remember, four western commissioners, representing Tennessee, Kentucky, Wisconsin, and Minnesota, have made it up among themselves that they have "a call" to come East and look into the affairs of "three large life insurance companies, of which the Equitable is doubtless one."

In the long run, these inquiries, while for the most part foolish and unnecessary, may serve to clear the atmosphere, and restore a much weakened confidence to a greatly disaffected public.

Certainly the tendency on the part of recent examiners to get things down to "bed-rock" is apparent in the case of the Manhattan Life Insurance Company of this city, whose surplus was recently cut by a large amount, because the New York department thought it placed too high a value on its New York real estate.

The news that the United States' management of the State Fire, of Liverpool, would go to J. H. Brewster, manager for this country, at Hartford, for the old Scottish Union and National, was received with surprise even by many thought to be well-posted in fire matters. The State will certainly have a fine old wheel-horse as a running mate, and it is to be hoped that Manager Brewster will be able to drive the double team to profit and permanent success, through the feeding grounds of this great country.

NOTES.

Even its most sanguine friends fear that the days of the Mutual Reserve are numbered, after the severe scoring recently administered by the New York department.

The two-flatoon system recently experimented with in the New York Fire Department, appears to have been found a flat failure.

Not many important life insurance officials are taking vacations just now. They have thought it best to remain at home, and keep their eyes fixed on the guns of the newly-appointed investigating committee.

The returns showing the premium receipts in New York of the fire insurance companies for the first six

months of 1905, indicate that while the great leaders have fallen off somewhat from a number of previous years the lesser companies have gained enough to keep up the aggregates.

New York, August 9, 1905.

QUERIST.

LONDON LETTER.

London, Eng., July 27, 1905.

FINANCE.

The tendency of the money market here moves towards greater ease and so the banks are finding it difficult to employ their funds as profitably as was the case in the earlier part of the year. The increasing gold production of the Transvaal helps this. Trade, however, so far as the country generally is concerned, does not make that progress which was anticipated by everybody. Lancashire, it is true, is doing exceptionally well, and this reminds me that bankers with a good country connection are doing better than those of a purely London character.

The local cheapness of money is not an unmixed advantage. For example, the Paris exchange upon London has worked down so low that the French banks do not care to retain balances here and so gold shipments are likely. Not that France can utilize the money better at home, but there are other more profitable directions. Is it that preparations for a Russian indemnity loan are expected? We all know that France will not part with a penny so long as the war ends, but would be eager to lend towards an indemnity loan, on terms, when the war had finished. France would not be alone in this eagerness.

On this question of an indemnity loan the view held here is that everybody and everything would be benefited by its being postponed until the beginning of next year. Money is expected to become dearer in the fall should peace be concluded; business on the Stock Exchange will revive; and trade will improve. In these ways the demand for currency will be increased and rates must advance. Any big demand, therefore, on top of that might mean serious disturbance and stringency. Paris, Berlin, and Amsterdam will probably issue any indemnity, Paris drawing heavily on London for gold.

The Stock Exchange provides a lot of work for the law courts. A recent case sheds some interesting light on customs here. A firm of outside brokers (John Flower and Co., a business run by the man who was instrumental in securing the final trial and conviction of Whitaker Wright) were carrying 2,000 Grand Trunk Thirds for a client. After a while they informed him that they were decreasing their speculative commitments and that he would have to transfer the account elsewhere.

As he did not take up the stock it was sold against him at the end of the fortnightly account at a loss of the small amount of forty dollars. The client refused to pay this for several reasons. He said the shares were first sold to him under the rules and regulations of the Stock Exchange whilst Flower and Co. were not members of the House. He further argued that the shares had never been tendered him although he would have been quite willing to have taken them up and paid for them. The plaintiffs, however, urged that they did not think the man could pay and that therefore it was not worth while tendering the stock. The judge found for the outside brokers after hearing Stock Exchange evidence.

INSURANCE.

The amalgamation of the Westminster Fire by the Alliance, which is now being arranged, serves to set at rest