

Correspondence.

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

NEW YORK STOCK LETTER.

New York, August 5, 1903.

Notwithstanding the favourable crop reports, the continued large earnings of the railroads and the apparently very satisfactory condition of general business, the stock market still continues to decline. During the early days of the week it looked strong, then became lifeless, and yesterday again started on the downward course; but from what cause there does not seem to be any satisfactory explanation. Undoubtedly, the Bears seeing weak spots have improved their opportunity and have offered stocks down, but it is also clear that there has been and is considerable liquidation. The market is now about one to two points lower than it was on July 24, the day of the recent failures, and from two to eleven points below what it was on June 13, the then low day.

One of the weakest things on the list have been the steel stocks, and this from a variety of causes. In the first place the amount of these stocks is so enormous and there are so many stockholders that it is almost impossible to stop the flood when it once begins to run. The management of this property has not been such as to commend it to the consideration of the best class of citizens, and the resignation of the president is probably one of the best things for the property that could be devised, and it is to be hoped that the incoming president will give more time and attention to the business than the former one did.

The Bank statement of Saturday was a distinct disappointment in so far as the item of loans was concerned. The general opinion was that with the enormous liquidation which had taken place in the stock market, that this item should show a very large decrease whereas the fact was that it showed an increase of nearly a million dollars. The cash items, however, showed an increase of something over \$70,000,000, and this for the first time in many months brought the amount of deposits up to very nearly a million dollars more than the outstanding loans.

The solution of this increase of loans appears to be that the proceeds of the stock loans which have been liquidated have been reloaned to the mercantile community, and so in a measure distributed over the country. This should and probably will make the demands for funds in the fall much less than it would otherwise be, and it is not at all improbable that when the season for close money arrives it will be found that a great number of concerns have made early provision for that time, and that the demand will not be as great as has generally been anticipated. The report from the Treasury Department shows that during the past year there has been an increase in the circulation of money in this country of \$121,412,361, and that the per capita circulation is now \$29.55, as against \$26.93 in 1900. All indications now are that the crops of this country will be at least average, while the foreign crops are deficient. It is therefore reasonable to suppose that all of the surplus which we have will be wanted by the foreigners and at good prices, and this will largely increase our credit balance abroad and go a long way towards offsetting whatever loans the foreigners may make to us.

In spite of the various strikes which have so interfered with many branches of business, the returns by the Savings Banks of the State show an increase in total resources of over \$53,000,000, an increase of depositors of

98,151, and an increase in deposits of \$9,705,231 over last year. This certainly, considering the number of strikes which have taken place, is a most remarkable showing; we give these figures because we believe that they are indicative of other States as well as New York.

One of the favourable factors which have come to light during the week has been the decrease in customs receipts of \$1,284,236 from the figures of last July, showing that imports have decreased considerably for the month. If the imports can be kept down and the exports increased, there is no question as to where the funds will come from to meet whatever exigencies may arise in this country.

On the other hand, one of the unfavourable factors of the week has been the announcement by the management of the Rock Island System of the proposed issue of a Blanket Mortgages for \$250,000,000 to be used for "Refunding and other lawful purposes." As no bonds of this system come due for several years, yet the announcement came as a very decided chill to the financial world, for it was felt that the phrase "and other lawful purposes" was decidedly ambiguous and that the announcement just at this time was most inopportune, to say the least.

One of the interesting events of the week has been the decision of Judge Lochren, of St. Paul, in the case of the State of Minnesota against the Northern Securities Company, the Great Northern Railway and the Northern Pacific Railway in favour of the Northern Securities Company, the Judge deciding that the combination of Northern Pacific and Great Northern is not illegal. While this decision in no way affects the case of the United States against the same parties, it is claimed that the consideration by the Judges of the Supreme Court will be analogous to that of Judge Lochren, and, therefore, favourable to the Railroad Companies. Whether this will be so remains to be seen.

Last night the market closed weak, and to-day the declines have been almost continuous, two failures having so far been reported. The market closes at almost the lowest of the day.

T. C. DELAVAN.

20 Broad St., New York.

NEW YORK INSURANCE LETTER.

New York, Aug. 4, 1903.

To explain in detail all the complications in the fire insurance situation here would require much more space than your correspondent can devote to it. The rate question amounts to a constant war between the companies and the brokers. As the brokers may be called the "buffers" between the powers that be and their final customers, it is up to them to harmonize and pacify the policyholder when rates are sharply advanced, as they frequently are, apparently without very good reason. It is also difficult for the companies to make and enforce these rates, for they are subject constantly to the protests of the brokers, who practically own the business in the Metropolitan District. However, in spite of the difficulties, the rates have been materially advanced, and are even considered too high on many classes of risks by some of the best informed both among the companies and brokers. It is a situation which calls for the most delicate and careful treatment, without which the Fire Insurance Exchange, which has proved to be so useful, would probably crumble in pieces.

During the cold month of June it was much feared that great loss would result upon summer hotel business. Whatever the cause, it has been noticed that when guests were few and business poor, the summer hotel risk has proved highly inflammable, especially toward the end of the sum-