

Canadian Business Conditions and Crop Outlook.

Indicative of the steady improvement in Canadian business conditions during recent months have been the gains in earnings made by the Canadian Pacific Railway. There is every likelihood that the fiscal year ending with June 30, will show net earnings over one million dollars greater than those of the preceding year. Figures for the eleven months up to May 31, show gross earnings of \$69,763,167 as against \$65,828,338 for the corresponding period of the preceding year—an increase of \$3,934,829. For the same months the net profits were \$21,067,148, as compared with \$20,116,870 the year before—an increase of \$950,278. No less than \$245,365 of this gain was made during May, the gross earnings for which month were \$6,420,640 with net earnings of \$1,028,069.

Crop prospects the whole country over are contributing to business improvement, while activity in the dairy business is a present factor in general trade betterment. The banking situation is, of course, duly affected thereby, and the June Government statement is likely to show considerable increases in current loans, as well as further growth in deposits. It has been commented upon that more than one bank has practically ceased lending in the call market, for the time being, owing to the demands of dairying and lumber business. While the call loan rate, locally, remains for the most part at 4 per cent, some new loans are being placed at 4½ per cent.

Successful Placing of New Government Loan.

Among Canadian financial developments of the past week, the most interesting has been the announcement of the new Government loan to be issued in London yesterday. The underwriting terms secured for this new flotation supply a practical "Dominion Day demonstration" of the high credit standing Canada enjoys at the world's monetary centre. The issue consists of £6,500,000 inscribed stock 3½ per cent. at 98½. The price is generally considered highly favourable in view of heavy demands made of late upon the London market. New securities issued in the six months of 1909 foot up £121,000,000, which breaks all records. In the first half of last year they were £110,000,000, and in the whole of 1907, only £124,000,000. Moreover, there has been secret borrowing by Americans on bonds to an enormous extent, not to mention the £20,000,000 or so supposed to have been obtained by New York on long sterling bills. Canadian securities—government, municipal and corporation—floated on the London market since January 1, total well over £20,000,000, if this new issue be included. The 1908 Canadian aggregate, it will be remembered, was about £40,000,000.

MR. ROBERT BICKERDIKE, M.P., Branch Manager at Montreal of the Western Assurance Company, sail for Great Britain per SS. Megantic. He is being accompanied by the Misses Bickerdike, and will visit various places in Europe before returning to Montreal. The object of his trip is strictly a holiday. THE CHRONICLE wishes him bon voyage.

From Across the Lin**CONFLAGRATION HAZARD IN NEW YORK.**

Interference with Proposed Building Code by Civic Politicians—Provident Savings Life to Resume Business—Pittsburg Life Admitted to New York—Forthcoming Conventions—Special Correspondence of THE CHRONICLE.

New York insurance men are rapidly awakening to the fact that there is a severe conflagration hazard in this city, and that should a sweeping fire start in the congested value district, it would doubtless result in hundreds of millions of loss and probably seriously impair all the insurance companies interested, in spite of the fact that many have cut down their lines in the districts where this hazard appears to exist. This fact is of especial interest just now while the building code is under consideration and while the passage of the code in the form originally intended by underwriters is in great doubt and peril by reason of unscrupulous politicians who to a great extent manage the affairs of the city. The code as originally drawn up amply provided fireproof buildings so far as possible, and also for such arrangements as would prevent the spread of fires from one building to another. It also dealt with proper materials to be used and with building matters generally in such a way that the fire underwriters' interests would have been protected so far as possible. However, the private interests of the politicians have stepped in and have threatened to defeat the passage of the code in the form provided for.

It must be remembered that while New York has been a comparative gold mine for the fire insurance companies for a number of years, producing a great premium income with comparatively small losses, it cannot be expected that this condition will last forever. It is, therefore, all the more necessary that the subject of proper buildings and building specifications be rightly dealt with at the present time.

Casualty and Life Company Items.

The casualty companies are wondering at the apparent falling off of their business, which however has been profitable owing to smaller loss ratios. The reason probably is that while "prosperity" has been preached for a year or two no real prosperity has actually arrived, and in the scarcity of money it is more difficult to secure applications. This is true also in the life and fire insurance business.

An item of interest to the life insurance fraternity is that the Provident Savings Life Assurance Society, after having suspended business for a year and a half on account of being impaired as to capital, is about to resume on July 1, and will enter some ten or a dozen states. President Rittenhouse has been devoting his attention to getting the company in good order, and it is expected to begin with ample reserves and capital unimpaired, together with a fully paid surplus.

As a result of conferences covering several weeks, an arrangement for the reinsurance of the policy obligations of the Washington Life Insurance Company in the Pittsburg Life and Trust Com-