

life insurance agent against fraternal insurance than that afforded by the notoriously unsound financial condition even of the stronger and more economically conducted fraternal, and the long, continuous record of fraternal failures. Nothing could be much more plainly evident than, so long as this condition of affairs continued, fraternal orders could serve no other purpose than those of furnishing risky but cheap so-called insurance to those unwilling to pay the price for the real thing; of bringing home to the public the benefits and necessity of life insurance, and also of emphasizing the stability of the legal reserve companies. All this has been clearly seen by the more thoughtful of the advocates of the fraternal system, and the feeling that their organizations should be made equally stable has been steadily growing, until, at last, representatives of at least three-fourths of the total fraternal membership of the country have agreed to legislation which will ultimately bring this stability about. It may, however, be many years yet before the desired end will have been achieved. Under the compromise which has been arrived at, the fraternal will not be required to make good any reserve deficiency till 1918. But even this advance is enormous, and the publicity given to their condition in the meantime will help along the reform.

The Spectator of New York says that it is believed that the Insurance Commissioners will insist upon advancing the date after which improvement is required, probably to 1914 or 1915. It is believed, however, that this concession is a marked step in advance, the provisions for valuations and publicity being a most valuable educational feature in the campaign for adequate rates.

## Our London Letter.

### HUDSON BAY STORE DEVELOPMENTS.

**Advance in Investment Stocks—Vancouver's New Loan—London Bankers and the Cotton Frauds—The Super-Tax and Oversea Investments—Insurance Items—Special Correspondence of THE CHRONICLE.**

There was every likelihood that the Bank of England directors would reduce the official standard on Thursday, but apparently the old lady of Threadneedle Street thought that to reduce the bank rate three times in one month would start all the papers talking about records, and she has maintained the rate at 3 per cent. If gold continues to flow into the central institution at the same rate as for some weeks past we may assuredly expect to see  $2\frac{1}{2}$  per cent. some time next month. The great ease in the money market has, of course, given a much needed fillip to the investment markets, and under the lead of Consols, the bell-wether of the gilt-edged section, most of the best class of investment stocks have advanced in price. The low rates for money have also brought into the market several borrowers, but they have not been altogether successful. The Great Indian Peninsula Railway issued a very big line at two or three points below the market quotation, and consequently met with great success, but the Anglo-Argentine Tramways failed to successfully issue its third debentures, and the City of

Vancouver was rapped sharply over the knuckles for attempting to issue a 4 p.c. loan at a premium. The underwriters were landed with no less than 70 per cent. of the amount offered (£453,600). The issue was made by Messrs. Brown, Shipley & Co. As the City of Montreal 4 p.c. stock, 1948, can be bought to yield  $3\frac{7}{8}$  p.c. the issue price suggested that the City of Vancouver regarded itself as standing in the scale of credit on a level with the commercial capital of the Dominion.

### The Cotton Frauds: Meeting of London Bankers.

The meeting yesterday of several London bank directors has escaped the eagle eye of the financial daily papers. The object of the meeting was to appoint a committee to consider and submit suggestions whereby the merchant, on the one hand, who buys cotton from the United States, and the banker, on the other hand, who finances the business, may have some assurance beyond the mere word of the cotton exporter that the operations entered into are *bona fide*, namely, that the bills of lading or other documents shall really represent what they purport to represent. The meeting was attended by Sir Edward Holden, chairman of the London City & Midland Bank, Mr. Richard Vassar Smith, the chairman of Lloyds Bank, and the general managers of the London City and Midland, Lloyds, Parr's Bank, etc., and a committee of sixteen was appointed.

### Canadian Resource Development.

A company has been registered this week at Somerset House with a capital of £100,000 to "acquire and turn to account" landed property in the neighbourhood of Port Arthur and Fort William, Ontario, and elsewhere in Canada. The directors are G. A. Burrow, A. Gilmour, and T. R. Hughes, all Liverpool names.

### The Hudson's Bay Report: A New Departure.

The report of the Hudson's Bay Company was issued this week, for submission to the shareholders on July 4. It occupies about a column of the daily papers, and shows that the company has earned a profit of £166,156. The amount at the credit of the land account is £240,045, making altogether available £406,201. The total dividend distribution from trade and land for the whole year amounts to £400,000 or £4 per share. Most important changes in the direction of the company are indicated in the following paragraph:—

"The Earl of Lichfield, deputy governor, and Alderman Sir Walter Vaughan Morgan, Bart., retire by rotation, and do not offer themselves for re-election. To fill the vacancy caused by the retirement of the Earl of Lichfield, Mr. Thomas Skinner will be proposed for election to the office of deputy governor. Mr. Vivian Hugh Smith, of Messrs. Morgan, Grenfell & Co., 22, Old Broad Street, E.C.; Mr. Robert Molesworth Kindersley, of Messrs. Lazard Brothers & Co., 40, Threadneedle Street, E.C.; Mr. William Mackenzie, president of the Canadian Northern Railway, Bend Court House, Walbrook, E.C.; and Mr. Richard Burbidge, managing director of Harrod's Limited, Brompton Road, S.W., will be proposed for election as members of the committee.

The appointment of Mr. Burbidge is in accordance with what I forecast in a recent letter. Mr. Burbidge recently paid a visit to the whole of the company's salesshops and made a report on them to the directors. This report has not yet been made public, but I believe that it recommends practically the adoption of the entire stores principle by the Hudson's Bay Company—in short, the