

Last night the market closed weak and heavy, but opened this morning with considerable strength and has shown an improving tendency all day; at closing the market is off somewhat from the best, but shows a fair degree of strength.

LONDON LETTER.

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FINANCE.

Investment business is perhaps a little better than the usual experience lately, but speculation has again died down. The flash in the pan of the early part of last week was just that and nothing more. It leaves the outlook particularly hopeless, certainly for a couple of months. The stagnation of the South African market, the speculative leader on 'Change, continues to be profound. Politicians at home, at the Cape and at Johannesburg, quarrel violently over the question of importing Asiatics to work in the mines, and no settlement of the difficulties has yet been arrived at.

Lord Milner predicts that the depression in this section will, at least, last for another year. Other factors also help to deaden speculation. British, American and Japanese warships assemble in the Gulf of Pechili whilst Russian squadrons center upon Port Arthur. Muscovite activity in Korea renders Japan very touchy, and is not without dangers for ourselves.

Coming nearer home we have Bulgaria flaunting herself in Turkey's face, whilst the Balkans generally appear to be looking for trouble.

How can markets be lively when conditions such as these continue to be current? It is true there are some more hopeful features, but they are not sufficient to galvanize the dry bones out of their passivity. President Loubet has won warm regard for himself during his visit to England, the main thoroughfare of the metropolis having been scenes of enthusiasm whenever he drove out. Better feeling between England and France must result, and such a danger center as Morocco becomes less threatening in consequence.

American Rails, after having broken a series of outside brokers and made a good many British investors firmly resolve to never again have anything to do with such distastefully manipulatable stocks have paused in their downward career, and the making-up list this week shows small recoveries nearly all the way round.

Looking back on the money movements of the past half year it does not seem likely that bankers will have to complain when they come to reckon up their profits. They have been able to employ the whole of their balances at more remunerative rates, both for money and bills than was the case for the first half of last year. In fact these rates have only been exceeded three times during the first fifteen years. The adverse factors on the half-year have been the increased competition of continental houses for bills and the greater caution generally observed in lending money on second class securities.

One of the most prominent industrial companies in this country, prominent by reason of its tremendous ramifications and the strong and enthusiastic manner with which it has allied itself with the opponents of municipal enterprise here, is the British Electric Traction Company. The number of tramway companies associated with it now is thirty-nine; its profits for last year were \$1,195,000, and its dividend was 8 per cent.

INSURANCE.

An office which always seems to be fortunate in its mortality experience is the Economic. Last year the actual

amount paid upon death was about 14 per cent. less than anticipated. The average age of disease members was 65, and only 9 per cent. of the claims were in respect of policy-holders under fifty. Finally, more than half the claims were consequent upon the deaths of people over 70.

This week the International Fire Preventive Congress is sitting at Caxton Hall, Westminster; the opening ceremony, however, having been performed at Earls' Court. The subjects under discussion are: Building Construction and Equipment; Electrical Safeguards; Fire Alarm; Storage of Oils; Spontaneous Combustions; Fire Survey and Fire Patrols; Fire Losses and Fire Insurance; and Fire Tests and Standardization. As social functions there are banquets, visits and ceremonies innumerable.

A curious light has been thrown upon the value of a Lloyd's policy when issued for other than the purpose of marine insurance, by a judgment of Mr. Justice Bigham. A firm of bankers, Hambro and Sons, brought an action against certain members of Lloyds, to recover \$5,000 with interest, alleged to be due under guarantee. The underwriters had agreed to pay Hambro in cash the amount of drafts drawn by a firm of tourist agents upon Hambro, with interest and cost. The tourist agency defaulted when the time came round to pay, and Hambro then demanded the money from the underwriters.

The leading underwriter, Burnand, was a member of the tourist firm, and it seems that that firm owed \$550,000 by the end of last year, all this being bolstered up by similar policies to the above. There were four other underwriters' names attached to the policies in question, and the case turned upon their liability in the \$5,000 action. The judge decided that they should bear no liability at all, as the policy was really issued by Burnand, and Burnand only. He admitted that Burnand held written authority to do business for the other underwriters, but held it did not apply in this case.

RECENT LEGAL DECISIONS.

CONSTRUCTION OF INSURANCE CONTRACT, MORTGAGE CLAUSE.—A policy of fire insurance was issued to the owner of a building, and the property was subject to two mortgages. Upon the policy was indorsed a mortgage clause which provided that, the loss, if any, was to be payable to the mortgagee as his interest might appear. Owing to default under the mortgages, foreclosure proceedings were taken, and an application was made for a sale of the property by the court. Twelve days after this the building was burnt down. The insurance company disputed payment, because the policy contained a clause that, foreclosure with the knowledge of the insured, voided the policy, unless a consent by the company was endorsed, and in this case the company knew nothing of the mortgage proceedings until after the fire. These matters took place in the State of Kansas, and at the trial, there judgment was given against the company, but upon an appeal to the Circuit Court of Appeals, directions were given to enter a judgment upon the merits in favour of the insurance company with costs. In deciding the matters at issue, it was held that policies and contracts of insurance must be construed like other contracts, according to the ordinary popular sense of the terms they contain. The meaning of their stipulations in their common and popular sense