well upon us, is not brisk. Everywhere, and in all departments, the need for continual flogging is discovered. Fire business does not develop much, and life insurance flags rather. Midsummer burglary policies for people who are going away for a few weeks from their customary domicile, are about the easiest things to sell, and next to them come accident contracts.

On the whole, however, the position of the insurance business in this country is not discouraging, and it is clear that the amalgamations of recent years are making far more economy and increased efficiency. At the same time, however, some of the up-to-date offers in life sickness and accident directions are almost verging upon the over-liberal, and a halt will have to be called.

IMPORTANT QUESTIONS.

To the Editor of THE CHRONICLE:—

SIR,—A. leases from B. a building for twenty-one years, and puts improvements on and in the building so leased, to the value of, say $20,000; the major portion of which is incapable of removal at the end of the leased period; consequently, A. writes off such a proportion of the value each year, that at the end of the leased period the investment disappears, although a certain portion remains his property on the termination of the lease.

Question 1.—What is A.'s insurable interest in the improvements?

Question 2.—How should that interest be stated and insured?

Question 3.—What would be the effect of the 80 per cent. Co-Insurance Clause on the position at any period of the lease?

EXAMPLE.

(1). Value of Improvements (cost).. .. ..$20,000

(2). At end of tenth year this stands as an investment in A.'s books, of say 10,000

(3). Insurance at that date, 80 p. c. or 8,000

(4). Fire occurs in the eleventh year, doing damage to extent of $10,000. The actual cash value of the whole property being the cost, less depreciation, is, say $16,000; the actual insurable interest of the assured is doubtful, and is subject to answer to Question 1, but we will assume for purpose of illustration that it is one-half the actual cost, less depreciation, or 8,000

(5). The Co-Insurance Clause calls for 80 per cent. of the *actual cash value;* assuming this to be $16,000, the insurance should be $12,800; the assured has insurance of $8,000 only, therefore he is a co-insurer for $4,800, and his loss is settled on this basis: $12,800, $8,000, $10,000, $6,250.

(6). Therefore, although A. is insured to the full value of his interest in the improvements, he is not insured to 80 per cent. of the actual cash value, and gets $6,250 on an insurance of $8,000, and on a loss in excess of the amount insured.

This is not a suppositious case entirely, it represents a condition of a number of insurers in this city, prior to the happening of a loss which has yet to materialize. When a loss does happen, is the conclusion of items five and six likely to be reached?

Will the thinking Fire Insurance men, particularly the capable and efficient Loss Adjustors, take the trouble to look into this problem and send an answer to your paper for the satisfaction of an enquirer who subscribes himself

CO-INSURANCE CRAZY.

TORONTO, July 29, 1905.

STOCK EXCHANGE NOTES.

Wednesday, p.m., August 2, 1905.

The rumours of heavy damage to the crops in the United States, prevalent at the commencement of the week, are now understood to have been largely exaggerated, as the latest news confirms the estimate of a good harvest. Under this encouragement, further stimulated by additional dividend increases on railway stocks, the market grew stronger and prices advanced. The volume of business is still small, and will likely continue so until more definite knowledge of the crop yield is obtainable. The outlook is generally favourable, as a heavy harvest will mean continued heavy railway earnings and general prosperity. It cannot be denied that some few of the stocks in the United States are selling at prices which discount the future, but in our own market there are a number of good stocks selling at prices that make them attractive purchases.

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Montreal Power, Dominion Iron Bonds, Detroit Railway and Mackay Preferred are a few, among others, that might be recommended as good speculative investments.

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The tax on stock transactions came into force on Tuesday, and has already caused annoyance and delay. As its requirements become better appreciated by usage, some of this initial delay will be overcome, but, as long as it is in force, it will be a drag on business, and the cause of extra clerical labour in all brokerage offices. A direct tax on brokers would have been more satisfactory and far less troublesome than this *indirect* taxation.

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Some of the far-sighted brokers are commencing to prepare for somewhat tighter money this fall, but although some stringency may be caused by the crop movement, rates in Montreal should not advance. The banks here have been receiving, and are still receiving, 4½ p. c. since last spring, while money has been loaning during the same period in New York, at from 1 p. c. to 3½ p. c. Call money in New York to-day is loaning at 2 p. c., while the London rate is 1½ p. c.

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The quotations for money at Continental points are as follows:—

	Market.	Bank.
Paris	1½	3
Berlin	2	3
Amsterdam	2¼	2½
Vienna	2½	3
Brussels	3¼	3½

• • • •

C. P. R. made a new high level this week, and touched 156. The stock closed with 154⅝ bid, a net gain of 2½ points for the week on sales of 1,291 shares.

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The Grand Trunk Railway's earnings for the last ten days of July show an increase of $35,368. The stock quotations as compared with a week ago are as follows:—

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	A week ago.	To-day.
First Preference	110¾	111
Second Preference	101¾	102
Third Preference	51	51½

Montreal Street closed with 225 bid, a gain of 3¼ points over last week, and 1,142 shares were traded in. The earnings for the week ending 29th ult. show an increase of $4,911.47 as follows:—