

nounced in the room was received in absolute silence. After awhile, when the full significance of the news for themselves began to be realized, some of the members found themselves face to face with very serious losses.

Almost every possible eventuality in connection with the Coronation has been covered at Lloyds, and policies in a large number of cases are total losses. Insurances against the King's death do not matter, but those which agreed to pay a certain fixed sum in the event of the procession not passing a specified spot within a specified date mature all the way round.

All sorts of rates have been paid, and the dates have either been the two authorized ones or have had an extension to the end of June. Roughly, it may be estimated that people have paid 10 per cent. for cover. The people with stands will not, however, lose this in cases where seats have been let, as the money paid by would-be-occupants is only being returned after a deduction of 10 per cent. in the majority of cases. The losers, therefore, are the underwriters, who pay out \$1,000 for every \$100 they received, and the sightsees, for whom there is no sight, but who are mulcted in 10 per cent. of their seat-hire.

The King's life was being covered for 4 per cent. just before the news was known. Now rates are down 25 per cent. for one week to 50 per cent. for one month, "to pay a total loss should the King die," as the general wording goes.

NEW YORK STOCK LETTER.

(Office of Cummings & Co., 20 Broad Street, New York City.)

New York, July 9, 1902.

The week, broken by the three-day holiday, has naturally been a quiet one, and afforded an opportunity to quietly look over the general situation. The general outlook is good, and in some sections considerably above the average, so that the general result should be good. This will mean larger incomes for the producers, more freight for the transportation companies and a maintenance of earnings and more general circulation of currency throughout the country. But while the general outlook is so promising, there are a number of things which must not be lost sight of. The first is that the trend of events here for the past three years has been steadily upward, that many new enterprises have been started and combinations been formed, some of them of stupendous magnitude. Second schemes of all kinds are calling for money with which to float and carry them on, and, in not a few cases, loans have been made to the promoters which it will take years to liquidate, and in some cases they will never be collected.

Our loans are expanded beyond the point of prudence and our surplus reserves are far too low, and our demand liabilities abroad much too large. We have been steadily reducing our credit balances and closed the fiscal year to June 30 with a decrease of approximately \$175,000,000. What is more, we enter upon the new year with prices of all our exportable commodities so high that the decreases must not alone continue, but increase; and at the same time we invite a large increase of our imports. We are reversing the basic conditions which brought us prosperity, and at the same time are asked to believe that the 75 to 150 per cent. advances in our stocks should go still further. The market is now acting under the momentum of past conditions stimulated by the good crop prospect. As the effect of the change, clearly taking place, is felt, the momentum will be lost, and the market will be fortunate if it does not strike the reverse grade with brakes beyond control. If operators will confine themselves to such properties as have in the

past shown their ability to weather financial storms and still pay dividends, and will not overload with these, but keep themselves in a position to take advantage of the sudden breaks which are sure to come, there is little danger in trading in the present market. During the past few months the west and some other sections have been loaners of large amounts of money in this market, but during the past week orders for the return of considerable amounts of these funds have been received, and as the needs to move the crops become greater they will increase, and the drain upon this market will increase. It is true that receipts of gold from the Klondike will in a measure offset this movement, but the foreign exchange situation is such that shipments of gold are not at all unlikely. The full effect of this currency movement will probably make itself felt about September, and we would suggest to holders of securities that if they have paper profits between now and that date they would be very wise to get them safely converted into tangible deposits in their banks. The coal strike is still unsettled, and the latest proposition is to raise a public defence fund for the striking miners. The strike microbe is in the air, and their powers of rapid propagation are well known. We have before suggested that a way out of these difficulties, if the men really were to benefit themselves, is to take the funds that would be used to support a strike and start works of their own. We will go further. If the men insist that their Unions shall be recognized then let these Unions become stockholders and be required to hold a certain percentage of the capital stock, and so have an interest in the properties. We greatly fear that these labour troubles will increase rather than diminish within the next year or two.

At the meeting of the United States Steel Corporation the regular quarterly dividends of 1½ per cent. on the Preferred and 1 per cent. on the Common were declared. It was stated that all of the mills of the Corporation were working to their fullest capacity, and that orders continue to pour in, and that it had been decided to raise the wages of some 100,000 employees about 10 per cent. The net earnings for the last quarter are the largest for any three months in the company's history. They show an increase of more than 40 per cent. over the same quarter a year ago. The increase being about \$11,327,856.

One of the strong stocks of the week has been Colorado Southern, and the indications are that it will go considerably higher, especially the second preferred, which is more than likely to receive a dividend in the very near future. St. Paul has been another, advancing from 174¼ to 178¼ on a revival of the story of a closer relationship with Union Pacific, the latter having also increased from 104¼ to 106¼, while North-West has risen from 250 to 255. Southern Pacific has also been strong, and when the improvements upon the property are completed we look for a very considerable advance in the price of the stock.

The speculation now going on in corn in Chicago has a tendency to keep the stock market quiet and to some extent heavy. What the outcome of this operation will be it is hard to say.

The market closes heavy.

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Thanks are tendered for the following publications:—

THE 3RD ANNUAL REPORT OF THE COMMISSIONER OF INSURANCE, MICHIGAN, PART I., Fire and Marine. The report opens with a list of eighteen fire insurance companies or branches that withdrew from the State last year. In last eighteen months 24 companies have retired, and their places, says the Commissioner, "have not been taken by other companies, which presents the anomaly of a con-