

other hand, excessively inflated markets are equally or even more distressing, and it is in the proper ratio between wages and prices that the consumer finds prosperity.

Recognizing the great value of an accurate record of prices, many statisticians have endeavored to prepare and publish tables on the subject. Numerous difficulties were encountered, however. These have been overcome in the preparation of Dun's Index Number, which covers many hundred articles, and each one is separately multiplied by the annual per capita consumption. These ratios were obtained by careful examination of census and other official reports, supplemented by statistics of imports and numerous trade records of production, changes in supply and other helpful publications. No absolute exactness is claimed for these percentages, but a sufficiently close approximation was attained to make the record of greater value than any heretofore compiled.

The same ratios are used for all dates; otherwise there could be no definite comparison of prices. While the consumer pays retail prices in most cases, it is not possible to prepare records on this base. Two stores within a stone's throw of each have widely differing lists and it is not possible to secure prices of similar articles for remote dates. Of wholesale quotations, however, the early records are available, and they are used in this compilation. The comparison has been carried back to January 1, 1860, a time when general conditions were satisfactory and no unusual factor distorted quotations. At that time Dun's Index Number was \$121.631; meaning that if each inhabitant had purchased a year's supply of all the necessities of life, the cost would have been \$121.63 and one-tenth of a cent. The highest point attained by the Index Number was on Sept. 1, 1864, when the same quantities of the same articles would have cost \$312.737. This was due to the Civil War, and emphasizes the extent to which production was curtailed by the withdrawal of millions of men from industrial pursuits, the devastation of vast areas, and the depreciation of the currency.

In recent years no such wide fluctuations have occurred, but the rapid improvement in methods of production reduced the level of prices until a normal position appeared at about \$95.00 in the early nineties. Beginning with 1893 there was a gradual decline in quotations, due to industrial depression, and the fall culminated on July 1, 1897, at \$72.455. At first glance it might appear that the consumer was most fortunate at that date, since the same quantities of the same articles were available at \$20 less than a few years earlier. Unfortunately, such was not the case although it might have been if earnings had remained unchanged. As a matter of fact, the low prices resulted from just that loss in purchasing power. According to the estimate of a labour leader, there were three million idle workers at that time, or there had been during the months immediately preceding. This meant that a vast army was subsisting on charity or their small savings, and able to purchase few of the commodities ordinarily used in abundance.

When business revived the situation changed rapidly, and quotations resumed a normal level. Increasing industrial activity and steadily advancing wages have carried the Index Number above \$100, the highest record of recent years being attained on May 1, 1902, at \$102.239. Some inflation through crop injury by drouth was recorded in foodstuffs at that time, but the present level is but little lower, yet it would be a mistake to infer that the consumer has suffered by the higher cost of living. On the contrary, with labour well employed at the highest wages ever known in this or any other country, it is no hardship to pay the higher cost of commodities, while reports of savings banks and life insurance companies

indicate that an enormous sum is being put away notwithstanding higher prices.—From the International Edition of "Dun's Review."

FIRE INSURANCE, RIGHTS OF COMPANY AGAINST THIRD PARTY.—It has been held by the Supreme Court in Tennessee, that when a person whose property has been destroyed by fire, brings an action for the use or benefit of the insurance company which has paid his loss against a third party by whose negligence or wrong the destruction occurred the measure of damage is the damage resulting from the fire, but not to exceed the amount paid on the loss by the insurance company. (Cumberland Telegraph and Telephone Company vs. Dooley, 72 S. W. Reporter 457).

STOCK EXCHANGE NOTES.

Wednesday, May 13, 1903.

The dullness so long prevailing has become more accentuated in this week's market, and trading has fallen to a very low ebb, the transactions this week being the smallest on record for months past. Even C.P.R., which has usually had a fair volume of business, as compared with the rest of the market, no matter how things have been going, dropped off in the volume of business to less than 1-3 of the transactions which took place a week ago. Prices have reacted to lower figures, and the quotations, almost without exception, throughout the list, are at lower figures than a week ago. Dominion Steel Common, Twin City and C.P.R. were the most active stocks, but the total business for the week in these three stocks was less than 4,500 shares. Apart from Twin City the business in the traction stocks has been extremely limited, the total sales in Montreal Street, Toronto Railway, Detroit and Toledo being less than 400 shares. There have been no features of particular interest in the market, and a feeling of apathy seems to have settled down on all trading. Money continues very dear and scarce here, and this would apparently account for some of the conditions prevailing were it not for the fact that in New York where money is extremely cheap, practically the same state of affairs exists. From the present outlook the brokers seem to be in for a dull and inactive summer, although possibly things may brighten up somewhat after the 1st of June. One ground for this expectation is that some of the reserves of money now being held by the banks, will then likely be released to an appreciable extent. Many of the leading banks close their years on the 31st of May, and strong reserves are being maintained pending their annual statements to the public. The Bank dividend payments which, in many cases mature on the 1st of June, will also tend to put investment moneys into the market, and these causes may possibly tend towards a somewhat greater activity for a time at least. One rather contradictory aspect of the situation in view of the tight money conditions, is the readiness with which bond issues are absorbed. The recent issue of the Montreal Power Company in connection with the Lachine purchase, has all been taken up, and the new Lake of the Woods Bonds we understand have also found a ready market.

Money on call in New York to-day was quoted at 2¼ p. c., with supplies more than ample for all requirements. In London the rate is quoted at 3 to 3¼. Locally, money