

Favourable Comment Upon Canadian Railway Progress.

Cables informing us of the plans of the Canadian railways for the coming summer, have synchronised with the receipt on this side of the report of the Minister of Railways to the Dominion Government. In this fashion, we have been given an effective glimpse of the present railway position on your side. The comment upon the position thus focussed has been favourable. To quote one of the financial journals: "The report (of the Minister of Railways) shows the Canadian railway system to be in a very healthy condition and well deserving the attention of the British capitalist." Some complaint has, however, been made regarding the Canadian Pacific's recent private sales of preference and ordinary shares, but this appears to have been due to a misunderstanding of the circumstances under which such sales were made. The fact that the ordinary shares thus placed were those left over after the last *pro rata* allotment to the shareholders has now been explained, and the point has been duly emphasized that there is nothing inimical to the company's or the shareholders' interests in the procedure which has been adopted.

Non-Trust vs. Trust Fund Investments.

A small sensation of the week is the statement made by Lord Rothschild at the annual meeting of King Edward's Hospital Fund. He explained, in submitting the balance sheet, that the trust securities had been separated from the non-trust securities in July last, and that in the interval the latter had added something like £100,000 to their value, while the trust securities had only added £1,000. The contrast is a striking one, and, no doubt, the publicity which has been given it will do something to hasten the present tendency to throw overboard trust investments in favour of others which give a larger income and present a reasonable chance of a substantial increase in capital value. Incidentally, it may be remarked, Lord Rothschild's statement is an effective comment upon the foresight of Lord Strathcona, who, in making one of his munificent gifts to the Hospital fund last year, made a strong recommendation that the securities then handed over should not be sold in favour of trust investments. As a matter of fact, King Edward's fund has the services of some of the most astute financiers in London on its committee and it is due as much, perhaps, to their knowledge and foresight as to any inherent superiority of non-trust to trust investments, that the very remarkable result announced by Lord Rothschild has been achieved.

The Growth of London.

A matter, which, if not entirely of financial interest, has at least very strong financial bearings is that of the growth of London. It is a commonly accepted notion that "the great wen"—our capital city—is constantly devouring whole tracts of countryside round it in its effort to house its steadily increasing population. That is only partially the case in these days. The actual growth of London is relatively slow at the present time; since the new facilities for travel enable many thousands, who are engaged there during the day to detach themselves entirely from it at night and have their homes anywhere from ten to forty miles away without the

slightest inconvenience. It is those districts, where landlords are making fortunes at the present time; the London landlord is having a very bad time of it. The London land companies, sound solid concerns which have for years been highly popular with ultra conservative people, who like actually to see what their money is in, are beginning to tell a tale of depression and reduced dividends. For years, there was great pressure for accommodation; now in Greater London there are 50,000 empty houses, and competent authorities place the depreciation in the value of property since 1901 at 30 per cent.; down in the city in these days, it is a difficult thing to sell or let property.

Expansion of Industrial Insurance.

The Prudential has just issued its annual report, and the figures of this, our biggest industrial assurance company, are more astonishing than ever. The total number of its industrial policies now approaches 18 millions, which, as its business is restricted entirely to the United Kingdom means that something like two out of every five of us have a policy in the "Prudential." In 1908, seventeen thousand agents collected industrial premiums aggregating little short of seven millions, and premiums on ordinary policies of 4 1-2 millions. The total income exceeded 14 millions, and the assets, with the addition of a mere trifle of four millions during the year now stand at £71,958,859. And the Prudential is not resting on its laurels. Several new and attractive policies have been lately introduced; more are in hand; and while the present management continues in office, there is no chance of our assurance giant going to sleep.

Recent discussion on your side regarding cheaper rates of assurance to be offered under non-profit sharing policies issued for the whole term of life has been watched here with interest in insurance circles. It is pointed out that while no tariff association is in existence for the regulation of rates, these which differ slightly now in the case of different offices are likely to find their true economic level. The assumption of a considerable increase in the average duration of life, which is at the root of a demand for lower terms, is not borne out by actuarial figures here. The increase in longevity has not been considerable, but the conditions of policies are much more favourable to the assured than they were formerly. While, also, the rate of interest upon the companies' investments has fallen, there does not appear to have been any corresponding decrease in the cost of obtaining business. It is contended that the advantages which have been given by the more liberal conditions under which policies have been issued during recent years, have been of much greater value to the representatives of the assured than any small reduction in premium which the slightly increased expectation of life might have warranted.

Need for Insurance Legislation.

Practical proof of the urgent necessity for new insurance legislation, which would give some security to policyholders, is afforded by the sentencing at the Old Bailey of a man, who had been engaged for five or six years in running a series of insurance companies. His resources were so small that when an execution was levied at his office in June last, the