

made in the hope of securing some definite satisfactory statement from the L. H. & P Co. as to what terms it would accept for a new arrangement with the city, it has again appointed a committee for this purpose. Whether like the last one the members will conclude their interview with the company without really learning its views, has to be seen, but it would be in accordance with ordinary business procedure were the proceedings to be recorded in writing, on which the committee could frame a report that would be intelligible and reliable.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

LONDON LETTER.

FINANCE.

London, June 30, 1906.

My references of recent date to the increasing stagnation upon the London Stock Exchange continues to find added significance from all that continues to happen. Even the sensational halfpenny daily papers are finding it worth their while to indulge their public with a column or two describing this absence of business and gradual collapse of prices. For instance, the "Daily Mail" one morning this week let loose its city financial editor on to its middle pages and printed nearly a million copies therefore of an article in a prominent position describing and driving home the absence of support for stocks and shares. Of course as was to be expected a political tinge was imparted into the article and the fault of the dull times was placed at the door of the Imperial Administration. "Kaffirs" were alleged to be slumping because of State interference with Chinese labour; home rails had declined owing to fears of the socialistic legislation which was to result from the presence in the Imperial Parliament of a newly organized and independent body of labor members.

INSURANCE

The Bond Bill Investment companies introduced to the Legislature by Mr. Kearley, backed by Mr. Lloyd-George, is likely to meet the case very effectively. The result should be sufficient to kill off existing bond companies like grass and to reduce the birthrate of others. Unborn companies burning to sell 250 dollar bonds for 150 dollars in 25 dollar instalments will, when the Bill becomes law be asked to justify their existence, to begin with depositing \$50,000 dollars with the Court of Chancery, which tenacious authority will hold the same till the funds of the company, accumulated out of premiums, amount to 100,000 dollars. All bond investment concerns old or new, will have in future to publish a revenue account and balance-sheet at the end of each year, together with an abstract of the report of an actuary, who shall every five years make an investigation into the financial position of the company. Companies now existing are to have their first investigation next year.

The developments in America in connection with the three big American Insurance companies are being watched with great interest on this side. After the first panic people here are beginning to recognize that the companies

are busily endeavoring to adapt themselves to the new conditions under which they have to transact business. The Armstrong investigation and the subsequent legislation have been an insurance earthquake, and if the statutory provisions are duly and faithfully adhered to, the offices in the future will be as much an improvement on what they were as the new San Francisco will be superior to the old. The view generally here is that at present the three powerful organizations, with their vast connection, after having had a great measure of freedom, for many years, find themselves cribbed, cabined, and confined in a series of enactments of a most drastic character. How it will work out is the question of importance and interest to policy-holders. No matter how great the delinquencies may have been in the past, these strong associations and the resourceful men by whom they are worked throughout the world do not like having their premises invaded by the representatives of the law, giving them fresh office rules and new lines of policy.

Present changes are being instituted and carried out because the inflamed state of public opinion would neither brook delay nor dalliance. Nothing that the late officials could say against the proposed legislation was of avail. As time goes on other subjects will engross public attention, and the offices will be left to themselves and a few Government officials. That the main reliance must be on the integrity of those concerned is the final lesson to British policy-holders.

STOCK EXCHANGE NOTES.

Wednesday, p.m., July 11, 1906.

The practical assurance of a successful harvest seems to guarantee another year of prosperity. The activity in general manufacturing and commercial business continues, while the railway and traction companies maintain steady increases in earnings week by week. In spite of all this, or perhaps for these very reasons, the stock market has degenerated into almost complete stagnation, and apart from the possibilities of movements in certain special securities, there does not seem to be much likelihood of any activity developing during the next couple of months. The lack of selling pressure is however, a very healthy symptom of the situation, and shows that, locally at least, stocks are in strong hands. The certainty of heavy demands for crop moving this fall likely forebodes stringent money market. As already mentioned, however, a great many of the large commission houses have provided themselves against this possibility by the carrying of large amounts of money on time for a period to carry them through the months of tightness. Detroit Railway, Dominion Iron Common and Montreal Power in the order named were the most active securities in this week's market. Apart from these stocks, no single security shows a volume of business of 500 shares.

The bank rate for call money in Montreal continues to rule at 5 per cent. The call rate in New York to-day was 2½ per cent., while in London the quotation was 2 per cent.

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

	Market.	Bank
Paris.....	2½	3
Berlin.....	3½	4½
Amsterdam.....	3 15-16	4½
Vienna.....	3½	4½
Brussels.....	3½	4

C. P. R. closed unchanged from a week ago with 158½ bid. The stock was practically neglected, the only transaction being a sale of 25 shares at 159. The earnings for the first week of July show an increase of \$316,000.