

which The Travelers is confronted is the appearance of companies known as mutuals, whose principal business is participating insurance, in the field that The Travelers has endeavored to specialize. In order to meet the terms of The Travelers, they issue non-participating policies either at lower rates or having greater advantages for the same rates. These are issued for use only in competition with agents of The Travelers whenever mutual policies cannot be placed. The lower cost of policies "held up the sleeve," so to speak, or their promise of higher returns, often carries the day; and arguments as to the relative value of the kinds of insurance, the management of companies, etc., are, through these tactics, avoided.

"To offset in part cut rates or extra values, low commissions (generally small brokerage) are paid the agent, who is content to take lower commissions rather than lose the business on the merits of the contract. These practices have frequently placed our agents in a most disadvantageous position. They cannot understand why The Travelers—old, strong and successful Company as it is, and in which they take every pride—cannot do likewise. Business is lost, and discouragement, with all its attendant evils, follows. There has, in consequence, grown up among our agents in all sections of the country a demand for such forms of participating insurance as will meet and nullify these practices; and as the most persistent requests have come from the oldest and most reliable agents of the Company, who have represented and fought its battles for many years, their opinions and desires have been given most careful consideration."

PERSONAL.

MR. ALEXANDER DUNCAN, general manager of the Scottish Union and National Insurance, is reported to be on the eve of retiring. Mr. Duncan, before being appointed to above position was sub-manager at the Liverpool and London and Globe. He will be succeeded by Mr. James A. Cook, of the State Fire Insurance Co., Liverpool.

Correspondence.

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

NEW YORK STOCK LETTER.

New York, August 26, 1903.

Why the Bank statement issued by the New York Clearing House should be the subject of so much solicitude by operators in the stock market is more than we can understand. If it correctly represented the financial position of this city it would then be entitled to the consideration now given to it, but it does not. It does give the figures so far as the Banks are concerned, but it does not show the standing of the Trust companies with their aggregate capital and surplus of \$192,009,534, and deposits of \$827,612,464, a very considerable portion of which find employment in the Loan market. Nor does it take into consideration the tremendous influence exerted by the large Insurance Companies of which three alone carry cash balances in Banks. Trust Companies and offices of \$64,152,424.81, and have collateral loans to the extent of \$32,003,000.

Parties credited with having been the dominant power in the market during the past few months are more or less interested in these Insurance and Trust Companies,

and it is, therefore, no wild freak of imagination to suppose that more or less influence has been brought to bear upon these institutions to assist in the plans which the operators were working out. It will, therefore, be seen that until the operations of the Trust Companies are included with or given at the same time with the Bank Statement that the latter is not entitled to the consideration which it should receive. A few weeks ago all eyes were centered upon the increase or decrease of the Reserve; last Saturday this interest was transferred to the item of loans, and because this showed an expansion forthwith, the traders "sold the market down." That the Banks have an active market for their funds is a matter of congratulation, and it will be a bad day for the country when this market is restricted as it is pretty sure to be in the not distant future.

Reports regarding the crops, as has been the case in the last few weeks, and will be for some time to come, have been most anxiously watched, and the consensus of opinion is that, taking the country as a whole, we shall have an average crop of wheat, corn and other grains and cotton, with good prices to the producers and remunerative returns to the carriers on both land and sea.

The export movement, which is even now beginning and the increased purchases of our securities by foreigners will soon start an inflowing movement of the precious metal that will undoubtedly reach large proportions.

But with all this brilliant outlook the fact must not be lost sight of that there are in the commercial world, just as there have been in the financial world, weak and rotten spots which, from time to time, will come to light and must be eradicated, and that this operation will produce spasms of more or less intensity. It therefore behooves every one to strengthen themselves in every way possible and to reduce their liabilities as far as possible.

What the outcome of the corner in cotton will be it is hard to say, but that it is nearing the end there can be no doubt, and what the manipulators will do with the load of the staple which they have remains to be seen. The effects of this corner are quite likely to be seen and felt for some time to come, for the curtailment of some and the entire shutting down of other mills cannot fail to make a scarcity of cotton goods which will be felt by the entire country in increased prices.

The statistics recently given out regarding the iron trade for 1902 are exceedingly interesting. They show that the amount of pig iron produced by the entire world was 49,147,464.073 tons, of which the United States produced 19,857,803.144 tons, or over 40 per cent. of the total output. The increase in production in this country for the year was 2,063,713 tons.

The reduction of the price of this staple during the past month or two has led some people to question whether the consumption has not fallen off to such an extent that the price would have to be still further reduced, but information from reliable sources is to the effect that during the past ten days inquiries have come in in such volume as to warrant the belief that the consumption in the near future will more than equal the production.

Much interest is being manifested in the forthcoming Reading statement, which, it is probable, will be given out to-morrow. It is expected to show a surplus of 4 per cent. upon the first and second preferred and over 4 per cent. on the common. Since the settlement of the strike this Company has been doing an enormous business and has had all it could do to attend to current business and restock the yards which had been cleaned out during the continuance of the strike. There is, therefore, every reason why the securities of this corporation should see higher figures, as they undoubtedly will in the near future.