

are to the effect that there are 15 per cent. more buyers here now than there was at this time last year coming from all points Middle West, Texas, Arkansas, South and nearby points, and a further increase is expected during the coming week. All are busy, buy quickly, and get away as soon as possible, showing that they have no time to waste here. And while the purchases are in large volume, the buyers do not appear to be taking more than they know that they can dispose of. This, in itself, is a good sign and shows a conservatism to be commended, and is confirmation of the statement that the country is upon an exceedingly sound basis.

Among the most active stocks of the week have been Reading, Rock Island, Southern Pacific and Erie.

The transactions in Reading have been upon a very heavy scale. Selling last week at  $45\frac{1}{2}$  it has sold as high as 57 $\frac{1}{4}$ . There are several reasons for this; first the price of this stock has been unduly depressed; next there has been a revival of the talk regarding the retirement of the second Preferred Stock and the payment of a dividend upon the Common, at the flat payment of a dividend upon the second Preferred, either one of which operations would increase the value of the Common stock. But whatever may be done with respect to these stocks by the management the one fact stands out clearly that the company is doing an enormous business, and taking a great deal of money.

The heavy transactions in Rock Island show unmistakable evidence of manipulation, but whether it will result in a wider market for this stock remains to be seen. In Southern Pacific talk is again heard of a dividend in the near future, but, as usual, no definite date is set. With Erie, however, the case is different, the advance in this stock is on solid earnings and increasing business. The first Preferred stock of the Company is one of the cheapest things on the list.

The market closes active at a two to three per cent. decline from the opening.

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## LONDON LETTER.

London, August 6, 1903.

### FINANCE.

With things not over lively at home, attention has during the last week been turned towards India. A Government Blue Book shows that despite famine, flood and plague, that Empire is making wonderful strides. Manufactures, commerce, mining, agriculture and railway construction all forge ahead in a remarkable and resistless way. In ten years the land under cultivation has increased by eight million acres, and in the same time a hundred thousand coolies have been added to the labour returns relating to railway construction. There are now 174,000 cotton operatives, against 118,999 in 1892, and the natives employed in the manufacture of jute have increased by 49,000. India mines have settled down into steady reliable investments, and at the present time are the only firm and active stock on the London Stock Exchange.

The results of the Canadian Pacific financial year were closely studied across here when we received them, and they rather upset the view which was pretty generally held, that there would not be sufficient in the way of a surplus after paying the usual dividends of 4 and 5 per cent. per annum respectively, on the preferential and ordinary capital, to enable the directors to consider the question of a bonus or increase in the dividend. A writer

in the "Economist," the oldest and principal financial weekly in England, argued along these lines, and although there was obviously an accidental error in his figures, he had a very large following here.

At last, the Government agreement with the Cunard Company for the building of two fast mercantile cruisers is before the House of Commons, and public opinion is pleased. The tardy abandonment of the system of granting "retaining fee" subsidies to merchant ships a few weeks ago saves the country a matter of \$390,000 per annum, and makes every one prepared to look more favourably upon any alternative scheme for increasing our naval defence through the mercantile marine. The Admiralty lends the Cunard Company \$13,000,000, at 2 $\frac{1}{2}$  per cent., to be repaid over twenty years, to build these special ships, and pays \$750,000 a year towards their upkeep. Cunard shareholders will find their Company's prestige enormously increased, and in time of war the Government get the complete disposal of two magnificent cruisers.

### INSURANCE.

Doing a large business both here and in America, the London Guarantee and Accident mas., by the steady avoidance of those banes of accident insurance—rate-cutting and hazardous risks—reached a strong and solid position. During the last five years its premium income has increased 50 per cent., and now exceeds \$1,500,000 per annum. Even last year when the loss ratio was higher than usual, it only registered 51 $\frac{1}{4}$  per cent.

Mr. Hendricks, who has served the Liverpool & London & Globe in one capacity or another for half a century, is about to retire from his present position as actuary to the Company and resident London secretary. He will still retain some connection with the affairs by taking a seat in the London Board. This gentleman is highly respected amongst actuaries and his knowledge of the statistics and principles of insurance is probably unequalled. As president of the Institute of Actuaries he achieved marked distinction.

Another case of long service with an insurance company is revived in one's memory by the death this week of Mr. C. J. Jarvis. For 43 years he worked for the Imperial Fire, and retired in 1883. He was one of the founders of the Fire Offices' Committee.

Before Mr. Justice Swinfen Eadie there was laid Saturday a petition under the Life Assurance Acts, by which the Canada Life asked for the return of the \$100,000 deposited in court under the said Acts, on the ground that premiums had accumulated to a much larger sum. The money had been deposited last December. The counsel said that the premium had not been accumulated in this country but abroad, but there was a decision that that was enough to justify a request for the return of the fund. There was also \$675,000 standing to the company's credit in the London branch of the Bank of Scotland. The general judge granted the petition.

MARINE INSURANCE. CONSTRUCTIVE TOTAL LOSS.—A ship was driven ashore on the coast of Sicily, in a storm, and was wrecked. There was from the first hope that she might be got off, but the owner gave the fused to accept. The vessel was afterwards saved by a salvage association, acting for the benefit of all concerned, and taken to Malta, where temporary repairs were done to her, she was finally taken home to England, and permanent repairs were made at Cardiff. In an action by the shipowner, claiming for the constructive total loss, it was proved that the cost of