

continues easy, and whatever disturbance occurs in this market this season cannot now be of very long duration, although the Cotton Bills on account of the high price of the staple are not as yet coming forward as rapidly as had been hoped for.

The market opened fairly well, but as the day progressed prices began slipping away, so that at the close a large part of the improvement of yesterday had been lost, and it closes very heavy.

T. C. DELAVAN.

20 Broad Street, New York City.

### NEW YORK INSURANCE LETTER.

New York, Sept. 30, 1903.

The interesting topic of conversation among the fire insurance men just now is the shortage recently discovered in the accounts of Cashier Scott, of the London Assurance Corporation in the United States Branch, in this city. It appears that the peculation had been going on for some time, but, owing to the skillful manner in which it had been concealed, the auditor had not been able to discover it. The shortage will probably reach \$20,000 or more, which will, of course, in no way affect the solidity of this great corporation. Nor can any blame attach to the management, as the books were examined at intervals by expert accountants, who, as has been said, failed to find anything wrong. Scott has a wife and two small children, and it is not as yet fully known to what purposes he applied the misappropriated funds. His method seems to have been the one common among defaulting bank accountants, that is, crediting to one party amounts received from another.

The Annual Convention of the Insurance Commissioners of the various States occurs in Baltimore this week, having begun yesterday, the 29th inst. One of the important things to come before the Convention will be a bill for the uniform regulation of the fraternal organizations. It is to be hoped that the bill will be sufficiently severe and drastic to make as safe and secure as possible the so-called insurance which is being written upon this plan. There are a few fraternal organizations which appear to have been able to pay their obligations fully and with reasonable promptness, but there are a large number of others which should be subject to a decidedly stricter supervision. The commissioners have not been noted for accomplishing any results of great importance at their meetings, except such as would embarrass and annoy the regular insurance companies. It is to be hoped that this meeting will do a good public service by the recommendation of an adequate uniform law to govern the operations of the fraternal associations.

Another convention of importance which is to occur in Hartford, on October 30, is the meeting of the National Association of Local Fire Insurance Agents, at which an unusually large attendance is expected. We name this event among local matters, because it is the great fire insurance companies located or represented in New York that are chiefly interested in the doings of the Association. There has been a disposition among certain agents which might result in disastrous antagonism between the companies and the field men, if it is not checked by wise and prompt action. It is now thought that good counsels will prevail and that nothing precipitate or radical will be proposed, or at least acted upon during the coming meeting.

It is noted that the fire companies of America, that is to say, of this city and vicinity, have been slow to spread out and begin operations in the new provincial posses-

sions of the United States. A number have entered the Hawaiian Islands, but only one or two have as yet journeyed so far as the Philippines and very few have begun business in our new West Indian acquisition, Porto Rico. The American companies have never been so venturesome as their prototypes in England and Germany, and while their conservatism may tend to safety there is question whether good profit might not be found in some of these growing fields. Perhaps they might take a lesson from the great life insurance companies which have materially added to their business by invading nearly every civilized country of the globe.

Those agents and brokers in this city who have made a specialty of writing whiskey lines, are considerably disgruntled over the action of the Union in radically reducing the rates on these lines. It was agreed that this was a just thing to do on account of the favourable experience upon this class of risks, but a lower rate will, of course, proportionately reduce the commissions to brokers and agents, and some of them will find their income from this source materially curtailed. However, such changes and reforms must be expected from time to time, as the work of equalization in rates goes on throughout the country.

QUERIST.

### LONDON LETTER.

London, 16th Sept., 1903.

#### FINANCE.

Dear money at home and adverse political conditions in the near East still dominate the stock market, and prices the generality of cases retrogress. Consols for cash have reached a selling price of 89, a figure which would have been called impossible a few years ago. It is below the price touched during the Franco-Prussian war, when conditions were very much worse than now. The steady decline from 114 in later unities has been stopped temporarily at times, but ever and anon it has resumed its progress. It did seem that nothing below 90 would be registered, for time and time again when that quotation was neared, there was recovery. The rise in the Bank of England's minimum rate of discount from 3 to 4 per cent., to which I have referred before, was the last stroke.

Consols and other high class securities, with the rest of the marketed stocks and shares to a lesser and rather more indirect degree, always respond to the changes in the monetary position. Before the rise in the Bank rate, funds or floating credits were superabundant, in excessive supply, in fact, on the London market. Call loans over the right were frequently arranged as low as one per cent. Even then the bankers and bull brokers were left with money for which there was no immediate use. Consequently, Egypt, Argentina, Germany and Russia, and other places to which we were temporarily in debt for trade balances, etc., had no temptation to leave their funds here, and shipments of gold began, which seriously threatened the Bank of England reserve.

Protective measures were therefore instituted. The rate was frequently arranged as low as one per cent, should that be necessary to keep gold here, and the directors of the august institution in Threadneedle street set to work to reduce open market balances by borrowing largely. Hence the growing stringency, and, coming on the top of declining stock markets, hence consols below 90 and everything off. Even Home Rails with all the improvement in working and equipment which are the result of the sensational awakening of a couple of years, when profit started drying up and dividends began to