

Continuing, it says: "The rather crude ideas of the 'Mining World' scribe run more particularly in the direction of the insurance of shares likely to be depreciated by possibilities or realities of war. He says: 'If an assurance company were prepared always, for a consideration, to take say a six months' risk and provide the difference between actual prices and those to which Kafir shares might fall, they might make a bad thing of it; but, on the other hand, what a splendid profit they would reap if things quieted down peaceably, and there were no fall at all. Exactly, the thing would be a gamble pure and simple. When a company insures a life it knows from experience that if the insured should die immediately after paying the first premium the longevity of other policy-holders will keep the average up. But in the case of mining shares a fall in one particular African security would be followed by a sympathetic movement on the part of the others, with possibly an extension of the depression into the Westralian department.

"Such risks might be, and very likely are, taken singly by members of Lloyds at a certain price, but for the reasons we have given the systematic insurance of security values at acceptable rates could not be undertaken with safety by any company which desires to pay regular dividends and is under the necessity of showing a confidence-inspiring balance sheet. It may be possible to solve the problem by some method which does not depend on the principles of average, but a practical scheme of this kind has yet to be discovered. The nearest approach to the desideratum is the project which an ingenious Paris financier was endeavouring to persuade an influential French financial association to approve some few months ago. M. Levy proposed to found an institution which would place stocks and shares for commission. Every security on which a commission was received would be stamped with the seal of the institution, while as much of the commission as remained after the expenses had been met would be invested. Then, if any of the companies whose issues bore the stamp of the projected institution should fail, the holder of the security would be entitled to indemnity as soon as the invested sum should have increased to the necessary amount. The prime objection to this scheme is obvious. By the most indulgent computation, the invested commission would require about three-quarters of an average lifetime to increase to the amount of the issue price of the security."

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents

Editor, CHRONICLE,

Dear Sir,

Will you kindly advise me on the following question:

Is a man insured who holds an interim or renewal receipt, when he has not actually paid for it.

In my business, some of my customers pay at the end of the month: The question is, are they insured in the meantime?

C. W. C.

REPLY.—The question of our correspondent may be assumed to take a wider scope than indicated by

the two terms "Interim," or "Renewal Receipt," but, inasmuch as the enquiry is limited to these two particular items, we will deal with them before touching upon the larger question:

An Interim Receipt, generally speaking, is merely a temporary agreement between the Assured and Insurer; its primary object is to afford protection to the Assured, pending the submission of the application for insurance to the Head Office, to afford them an opportunity of passing upon the same. The Interim Receipt is usually worded to give the Assured protection for thirty days, or until the Head Office of the Company have declined the application within the said period of thirty days. It follows, therefore, that on general custom and usage the question of the payment of the premium does not enter into consideration, at all events until the expiration of the limit of time for which the Interim Receipt is issued.

The Renewal Receipt is a document usually purporting to acknowledge receipt of the premium for the renewal of the Policy. If the Renewal Receipt is delivered to the Assured without demand for payment of the premium it is presumed that credit is given, and is regarded as equivalent to payment.

The larger question involved in our correspondent's enquiry may be stated thus:

In the event of the delivery of a Policy (implementing the Interim Receipt), the premium remaining unpaid, is the Policy valid? In the absence of any specific regulation on the Policy, the general custom of "credit" would govern, and the same remarks as made on the subject of Renewal Receipts would apply.

In Provinces not having adopted a legal form of Policy this question might open up considerations of serious import that could only be dealt with intelligently on specific reference; but in Ontario where a standard form of Policy has been adopted, and no provision made on the subject referred to, the general custom will govern.

It must be understood that our remarks only apply to Fire Insurance Policies, the practice as also the Law on the subject of Life Policies being entirely different.

LONDON LETTER.

24th August, 1899.

FINANCE.

The stream of commercial combination shows no atom of abatement. A huge amalgamation of all the Australian jarrah wood interests, with a capital of eight million dollars, is promised. There are any amount of lumber companies engaged in this important section of the timber trade, and competition has been cutting down profits considerably. Hence the requisition towards a trust, and its consequent economies.

* * *

The wholesale clothiers of Hebden Bridge are also talking of uniting, but the success of the proposal depends upon the acquiescence of one or two prominent firms in the trade which seem likely to stand out. The calico printers' movement is well advanced in Lancashire, and in the same county, the cotton bleachers and printers, after several attempts, are rapidly concluding their arrangement for a fusion of interests. These two combines will, if they succeed in securing the adhesion of one or two important but rather con-