

hot weather this crossing of t's and dotting of i's is a bother. The lightning clause and the variations in conditions and additional conditions of our policies, together with the different attachments and fly-papers that our modern policies are fitted out with, afford a fruitful field for the service expert in search of flaws, to gather items for his purposes from. I have heard that one of the privileges of the service is, that should a loss occur you can have either free or on reduced terms the assistance of a real lawyer to help you make out your claim and safeguard your rights—well, we all know what that means, and what great cases may come of little causes, so I make no further comment here. The system as I understand it may be useful to the insuring public and may do no harm to the insurance companies, but whilst it may not ever be used for any ulterior purposes, all the same incidentally affords an excellent opportunity for obtaining in a *natural* way an insight and acquaintance with all the insurances of a client. Where he insures, what he pays, and particularly the expiration dates of his policies; this last might be very valuable, even marketable, under certain circumstances to an outsider. This is therefore a feature not agreeable to insurance agents.

It is pleasant to note that there is a welcome lull in the piling up of fire losses in Canada; some abatement in the rapid rise of the fire loss column. The fire fiend and the fire insurance agents have seemingly taken a vacation together. Who will return first? Rumours of farther changes, either by purchase, amalgamation or absorption amongst certain British fire offices are floating about and contribute a disturbing element to the situation in these latitudes that does not help to a restful vacation time. Transference is not admired by insurance workers. Giving their allegiance to a new company always involves explanations to clients, necessary but unremunerative, and at best there is some lost business generally sustained in changes of this kind. Certainly there is much extra work to do for the same pay; therefore, amalgamations are unpopular with agents, at least by so much.

Yours,

ARIEL.

TORONTO, 13th August, 1901.

LONDON LETTER.

FINANCE.

July 31, 1901.

Things are very quiet, and we are filling in our time with a study of a variety of liquidations in which investors are concerned. One of these languid affairs in which many transatlantic investors are interested is the Cheque Bank liquidation. This has been a most depressing "sell" all the way through its history.

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There have been many Cheque Banks. The first lasted from 1873 to 1886 and the second from 1886 to 1893, when it went into "voluntary liquidation." A Yankee, calling himself a company, bought all the assets of number 2 for about \$75,000, and formed number 3 bank with a capital of \$1,250,000.

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This is the concern which seven months ago went into liquidation. Now the clique, hiding their identity as the promoters of the number 3 bank, are trying to buy up all the claims at the rate of \$3 for every \$5 claim. Many people are accepting the offer for fear of worse befalling, and the whole episode is fraught with financial interest as an example of "how they do things in London."

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There is no satisfying the rapacity of our "guinea pigs," that is the gentlemen who make a substantial living out of the fat fees they get out of the many boards of directors which they adorn. Some of these people are merely ornamental, and occupy seats perhaps on twenty boards. Some are, however, experienced men, and may at one meeting out of ten "possibly" say something of use and value to the company. Sir "Kitty" Furness is one of these. Eighteen companies claim his attention. They are mainly steel and iron works and ships, but one is the World's Insurance Company.

It is Sir Christopher who has lent a hand with Chicago Yerkes' great scheme for the electrification of our steam and sulphur underground railways in the metropolis, and Yerkes has got a good man behind him there.

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Yankee shares are in a very bad odour on the London market indeed. People got a very nasty knock in the eye over the last break, and whilst the bear critics are delighted yelling "we told you so," the bull has gone out into a quiet place to hide his head.

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Despite the commands of the new companies' Act, promoters are still very hard to catch. For example, some little time back there was a case in which it was decided that promoters could not pay great sums owing to underwriters just for the privilege of having part of the issued capital as means to earn more. But in a company issued yesterday no fewer than sixty thousand \$5 shares are being made a present of to the underwriters in order that the said capital-insurers may take up, if needs be, the 50,000 shares. That is, if the public did not subscribe a cent (the chances are that they will subscribe the lot), the lucky underwriters would get 110,000 for the price of 50,000. There should be some legal light on this.

INSURANCE.

In these days when young men are always boomed and booming and babies of tender years edit papers and conduct our diplomacy, it is refreshing to find a director on the board of the famous old Norwich Union Fire Insurance Company who has attained the attractive age of 98. There is none of your piping beardedlings in old Gorell; he is active and vigorous still.

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Competition in its unduly severe stage is not only telling upon the fire and life offices here, but also upon the personal accident concerns. The form the trouble has arisen in is in adding to the risks borne by a particular premium. The risks have been added to and added to until the margin of profit has become fine by degrees and beautifully less. In some cases this competition bred generosity has resulted in the amount of risks being just about doubled. What else but steady and cumulative loss can be expected under these conditions, and from what I hear I should not be surprised if shortly there is a semi-private meeting of some leading accident insurance men to talk matters over.

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There is an enormous field in this country for fire insurance amongst industrial classes. Even now and then some sweeping conflagration brings this point out. Last week we had heavy rainstorms in London. A hackney naphtha works was flooded out, and the stream of water carried naphtha on its surface out of the factory down the street where the work-people dwelt. Somebody struck a match, and in a moment eleven houses were ablaze. Fifty homes were burnt out, and the poorly-paid people were not insured. It would only have cost them fifty cents a year. Now they must rely on public benevolence.

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THE CITY OF TORONTO has won a victory over the local street railway company, which puts \$90,000 in the civic purse, and establishes an important principle. Ten years ago the railway company agreed to pay \$800 per mile yearly to the city. The question arose, whether curves, switches and turnouts were to be measured. After long litigation the Privy Council has decided that the curves, etc., are to be included in the track measurement. This carries with it the payment of about \$90,000 to the city, which is the accumulated yearly payments withheld by the street railway company during 10 years' litigation.