

across the seas, on bearing the flag of our country onwards, in behalf of freedom, civilization and equal rights. May their hearts be strong and brave, and their zeal and courage unflagging, until victory crowns their efforts!

Some of the Non-tariff offices have suffered smartly in recent fires in our neighborhood this month, such as the fires at Oshawa and Millbrook. It was a sort of "baptism of fire" for some of the newer offices, but they seem to take it with a good grace. Like young horses they feel able, no doubt, to draw the whole insurance business their way, and over ride the steady going old roadsters; therefore a little restraint by way of a caution, and a taste of the whip of ill-fortune may prove to them a wholesome medicine, and as a caution, which more than one of them needs, "to make haste slowly."

Last week the Insurance Institute held its second "open meeting," which, by the courtesy of the Confederation Life was held in the hall of that Company. Two excellent papers were read and discussed. The attendance was as before very encouraging. I regret to say that Mr. James B. Laidlaw, Manager of the "Norwich Union," has been very sick for several days past. His absence was regretted at the above meeting.

The Toronto Board of Fire Underwriters have under consideration the General Schedule of the Insurance of the City of Toronto properties. For the past six years, and perhaps for a longer period (the policies being for three year terms), this insurance has not yielded any profit to the carriers of it, and these embrace nearly all the Companies represented in Toronto. The "Exhibition Buildings" which are included in the Schedule, and form an important item of it, are considered by the Underwriters the danger spot in the list. It is certain that the present average rate of 1.75 per cent. for three years over the whole schedule will not be accepted on first of January next when the policies are renewable. The new City Hall will not be included in the schedule. A higher rate will certainly have to be collected from the City. The Underwriters may not fully apply the usual tariff-rates applicable to the risks covered in above case, in consideration of having the whole schedule given them, but will allow a fair percentage of reduction to the City, though not quite so generous an allowance as formerly. Wishing you and yours, THE CHRONICLE and its many readers, a Merry Christmas and a Happy New Year.

I am, yours,

Ariel.

Toronto, 18th December, 1899.

LONDON LETTER.

7th December, 1899.

FINANCE.

The ultimate destiny of the Rand is all right according to reliable opinion in the city, but whether the present high values quoted on the Stock Exchange are warranted is a point about which considerable doubt may be expressed. The entry into Pretoria of Buller and his troops will not, by any means indicate an instantaneous return of the old prosperity. The mines of the Rand will have to bear a considerable part of the cost of the war beyond the shadow of a doubt, and if, further, the machinery is destroyed and the laborers scattered all over the world some long unproductive time must be spent upon the work of reconstruction and labor-immigration. For example, everywhere the engineering trade is full up with ordinary orders,

and any huge orders from the Transvaal companies for new machinery would have to wait over for times varying up to eighteen months.

Still Rand Mines are quoted at and about 42, and Rhodesian properties show even more surprising increments, relatively, although it is hard to see how the victories of the British troops will increase the infinitesimal amount of gold in the unfortunate El Dorados of Rhodesia.

The increase in the Bank Rate to 6 per cent. is anything but cheering. Its causes are plain, and include the heavy depletion of our gold reserves at the present time, the complete cessation of the South African supplies, the necessity of the Government raising somewhere about a hundred million dollars before many months have flown, and the strained condition of the financial situation on the continental and New York bourses. The most important cause is, however, one would think, the wonderful fecundity and expansion of industry and general trade for some time past. Our currency system is fairly elastic compared to some older systems, but it is not perfect, and in times of distended prosperity such as we have now our instruments of credit become too narrow, and hence up goes the Bank Rate.

The last occasion of a six per cent. rate was in November, 1890, at the time of the Baring suspension of payment. The rate had been at the same level at the beginning of that year also. In October, November and December, 1873, the rate was nine per cent. for a fortnight. It was at ten per cent. for seven weeks in 1857, and again for three months in 1866, the year of Overend and Gurney. The year 1864 was a remarkable one. The Bank Rate was never under six per cent. then, and fluctuated between that and nine per cent.

During the week we have been treated to a very average set of new issues. A small timber amalgamation has been organised consisting of three prominent British firms whose united capitals will be \$500,000. The Sultana Mine of Canada, Ltd., a property situated in Ontario, has been favorably noticed over here when the prospectus was issued, and the capital of \$1,375,000 has been secured.

Two small new railways are being proposed in Scotland, one for a fifty-mile line in the West Highlands to tap a very important fishing district, and the other to work in and from Glasgow, through Goran, etc., until it rejoins the Caledonian Railway at Houston, thus affording convenient transit to a large industrial population. Both schemes will be bitterly opposed by the nearest existing lines of railways, and have but a scanty chance of materializing.

But, what with the war and the consequent locking up of the greatest gold producers in the world, it is hardly the time for active company promotion. November returns show that during that month thirty-seven new issues were made for a total value of \$22,355,000 as against twenty-eight for \$48,233,000 in October. In November last year the record was fifty-four new flotations with a capitalisation of more than seventy million dollars.

The Bank of England has decided after a lot of discussion that it has no right to refuse payment of one