of surety underwriting commented upon by the insurance commissioner of South Carolina the other day. In thus addressing the Board of Casualty and Surety Underwriters at New York last week, Hon. F. H. McMaster referred to them as, in a sense, "the keepers of the public conscience." Many a man is kept from committing a first act in breach of trust by the knowledge that neither clime, nor time, nor cost would save him from the pursuit of a guarantee corporation. And while fear is not the highest motive for abstention from evil, it is a means to a good end when it tends so to fix habits of rectitude that probity becomes second if not first nature.

Mr. McMaster would go so far as to advocate abolition by statute of personal suretyship on fiduciary bonds, so convinced is he as to the efficacy of exacting corporate guarantee in preventing defalcations and embezzlements. And under present conditions, to his mind it would be a badge of honour for a bank or trust company to display a token telling that the fidelity of its employees was insured by this or that surety company.

Our London Letter.

DEARER MONEY AND CONSOLS.

London Approves of Grand Trunk Changes—Manitoba Loan well Timed—The Matter of Compulsory Insurance—Special Correspondence of THE CHRONICLE, October 18.

The effect upon prices of fidgetting about the monetary position was clearly shown at the beginning of last week, when Consols went down as far as 82 7-16, the lowest figure they have touched since the memorable autumn of 1907 when we had the American crisis and a bank rate of 7 p.c. To some extent, no doubt, the extraordinary rumours afloat regarding the political situation and the speech of Mr. Lloyd George at Newcastle-on-Tyne were responsible for their rapid declension from 83; nevertheless, it remains true that the main cause was the fears regarding dearer money, stimulated as they were at the time by the rise in the German bank rate to 5 p.c. The disposition of the market when our rate rose to 4 p.c. was therefore easily to be understood; although the change in the monetary position compared with the outlook only a month earlier was almost startling. At that time there were confident expectations that we should get through the autumn with a 3 or 3½ per cent. rate—now we have doubts as to whether even 5 per cent. will mark the end of advances. The further heavy withdrawals for Egypt, Turkey and South America, however, rapidly changed the situation for the worse, and the rise in the Berlin rate prevented the bank replenishing its coffers in the open market as it might otherwise have done. A month or so ago our reserve was nearly 30 millions, but last week's return shows it to be now down to £22,949,900, a fall of £685,900 on the week, while the ratio of reserve to liabilities was reduced to 44.00 per cent. The rate advances made by the bank directors are, of course, a warning to Wall Street speculators that they cannot expect to be financed any further here on any too easy terms. Up to the present it is estimated that these gentlemen have succeeded in borrowing £100,000,000 in Europe, and some pretty strong language is being made use of regarding those who grant them facilities too easily.

Grand Trunk Changes.

The retirement of Sir Charles Rivers Wilson as president of the Grand Trunk Railway had been rumoured for some time past and it became definitely known a day or two before the appearance of the report. The re-arrangement of offices which follows upon his resignation is generally approved, it being recognized that Mr. Hays fully deserves his new distinction for his work in restoring the Grand Trunk from practical bankruptcy to relative prosperity. Some of the zealots, however, argue that he would be able to do still better were he to have the assistance of an influential Canadian board, and, no doubt, something will be heard of this matter from now on. Moreover, in one quarter, the ages of the present directors are being canvassed, and it is being seriously mooted that the board here should be re-constructed of younger men.

While there are hearty congratulations and good wishes for Sir Charles Rivers-Wilson on his well-deserved retirement, it cannot be said that his last report gives rise to any enthusiasm. We are still mystified about the extraordinary changes in the figures of the return of the last of the six months, and the fact that owing to the backward condition of the work on the Government section the Board are unable to report the completion of the connection between the Lake Superior branch and the prairie section at Winnipeg has given rise to some head-shaking. Since the report appeared Grand Trunks have been weak.

Publicity Wanted.

The Dominion Atlantic Railway held its annual meeting this week, and excluded the newspapers. The newspapers have naturally protested, and, apparently the only reason the secretary can give for the exclusion is that there was not enough room for the reporters! As the company has about a million and a quarter of debentures and stock quoted on the Stock Exchange, it seems desirable that at the next annual meeting it should hire a larger room. The whole affair is, of course, trivial since there is no suggestion of anything in the company's affairs to be hushed up. But the company has done itself a bad turn since meetings with closed doors have not a desirable reputation. By spending a few extra shillings on chairs for reporters the company might have spared itself a good deal of widely circulated criticism, which must necessarily be reflected among prospective investors and eventually on the prices of its securities

A Loan from Manitoba.

A high class Canadian issue made its appearance on Monday through Parr's Bank, the Provinces of Manitoba offering £156,000 4 per cent. debentures in bonds of £100 and £200 each at 102 per cent., maturing in 1949. The issue, which is made in connection with improvements and extension of the