

loans around 24 p.c. the banks were lenders at 15, 12, and later at 6 p.c. The currency premium kept up; the local demand for "holiday money" contributing, with interior requirements, to this circumstance. Another money market feature was the further decline in foreign exchange, which dropped another cent. to 4.84¼ for sight bills on London. With this reduction, there were renewed efforts to enlarge the gold movement from Europe.

Yesterday, however, brought a rebound in exchange to 4.85.10. The rate for cable transfers reflected the belated demand for remittance in view of year-end necessities.

The London Markets.

London money market conditions showed but little change during the week ending Saturday last, except that the year-end demand for cash began to be distinctly felt at the week's close. A number of borrowers were forced to the banks, where a fair amount of business on both loans and discounts was transacted at 7½ and 7 p.c. respectively. Such stringency, however, is usual at this season. Fears were entertained in some quarters as to a rise of the German rate before the close of the year. On the other hand a reduction in the Bank of England rate is confidently expected by many soon after the new year. As to this, however, New York developments still remain a problematic factor. As to the stock market, some considerable investment demand was in evidence.

The £500,000 gold available on Monday was divided between the United States and Germany—a circumstance that justifies the parallelism that has been pointed out between conditions in these two countries. In addition, Germany is taking nearly £1,000,000 gold from the Bank of England this week. Discounts moved up 1-16 further to 61-16 p.c. Markets were quiet, with small price changes. Consols declined to 82½ for money and 83 for account.

There was but little business on Tuesday's stock market owing to the carry-over. Prices were steady, with consols unchanged; home rails and Kaffirs showing improvement. Grand Trunk was ½ lower at 17½; Canadian Pacific 1 point lower at 154¼. Discounts advanced on reported gold engagements for New York and prospective Argentine requirements.

Owing to the Wednesday and Thursday holidays, the Bank of England statement will not be issued until to-day.

Dominion Iron & Steel and Dominion Coal

The Dominion Coal and Dominion Iron & Steel case, is still dragging its weary length through the Supreme Court of Nova Scotia, and threatens to continue to drag for some years to come. However, it is an ill wind that blows nobody good and it is devoutly to be hoped that when the case is finished, if ever it is finished, there will be enough assets left on one side, or both, to pay the lawyers. Seriously speaking, the case is one that should never have been taken into court and being there should be taken out with as little delay as possible. The question of legal expenses although serious, is really not so important a consideration, as the fact that a legal decision on the points at issue must be unsatisfactory and must lack practical finality. It should be settled by business men on business principles.

Fire Insurance in Canada in 1907.

It is difficult to predict what the last days in the year may bring forth, but if no large fire occurs within the next four days, we believe that the average loss ratio will be in the vicinity of between 55 and 60 p.c. The volume of premiums will show a considerable increase, but the loss ratio will also be considerably above that of last year. At one time it seemed as though the companies would largely cut down their lines in Montreal, owing to the trouble with the water supply, and as a matter of fact several have more or less reduced them. If a large fire were to take place, our merchants might find it difficult to get sufficient insurance and it would be well for them to keep this matter before them and insist upon the necessary improvements being carried into effect.

THE CHRONICLE interviewed a few of the managers of the companies, among them the following:

Mr. James McGregor, manager Commercial Union, who states that the business of his company will show a fairly good increase in income with a favourable loss ratio.

Mr. R. M. D. Paterson, of the Phoenix of London, states that his company will make a very small profit in Canada this year, compared with other years. The losses during the present month have been the heaviest during the whole year.

Mr. Randall Davidson, manager North British & Mercantile, states that the fire waste all over the continent continues to be a most serious problem, notwithstanding improvements in building material and construction. Speaking for the North British he states that business for the year will be only fairly good.

Mr. J. Gardner Thompson, manager Liverpool & London & Globe, says that the amount of business transacted has kept up satisfactorily. The losses have been heavy and have proved a heavy drain on the income. Altogether the fire insurance business has been particularly disappointing, largely owing to the large fires in Montreal. He believes the year will show a small profit, but insufficient to lay aside anything for conflagration hazard.

Mr. T. L. Morrissey, manager Union Assurance Society, states that the business of his company in Canada will compare unfavourably with last year, but the premium income has been well maintained.

Mr. William Mackay, manager Royal & Queen, says that the business will not prove nearly so satisfactory as last year.

Mr. Robert W. Tyre, manager of the Northern Assurance Company, says that his company will show a material increase in income for the year. The losses have been much heavier than last year. A number of the fires occurred in preferred business, such as McGill University.

Life Insurance in Canada in 1907.

The volume of life insurance written during the past year will not, we believe, show a material increase over that of the previous year, owing to various causes, one of which no doubt is the financial stringency. The lapses have not been so great as was anticipated, but it was no fault of the insurance inquisition that