LONDON LETTER.

FINANCE.

17th July, 1902.

The Rand is in pretty vigourous evidence just now and the pros and cons are distributed evenly. On one side we have the bears pointing out the difficulties of the native labour question and asserting that in the end white men's work will have to be utilized. This is becoming such a self-evident proposition that the bulls are saying "Well, why not, every other gold field can make itself pay with white labour, why not the Rand?" Then we have most depressing tales about impending revolutionary troubles, and lastly, the drink question is alleged to have become more acute than ever before on the gold fields.

The sheet anchor of the bulls is, however, a first-class one, and it refers to the continuous growth of the gold production. The figures of the yield of auriferous metal for each month of the six so far elapsed this year are as follows:—70,340, 81,405, 104,127, 119,588, 138,602 and 142,780 ounces.

My previous notes about some of the undesirable shares which are puffed regularly here may be recollected by indulgent readers. An interesting specimen of the same genus is found in the City and Surrey Electric Company. This is a brilliant bait. The public are actually being asked for their money before the line has been authorized by Parliament. Despite these facts, however, the best papers do not mind inserting copies of the document inviting support.

Really, he gullibility of the great British public is as marked nowadays as it was on the great boom of 1824-5, when wild-cat schemes of the most pronounced descriptions were floated, and when all the since dishonoured South American and Continental loans were eagerly subscribed for and such schemes as that of Gregor McGregor's "Land of Paysis" supported.

There is not the least doubt that the great attraction to the investor is the fallacious prospect of large dividends or a big increase in the market value of their holding. When a thoroughly safe thing like the East Indian Railway's offer of $7,500,000 of 3 per cent. debentures at 97 proves an absolute frost and a conclusion is warranted. A similar fiasco was the result of the Indian Government's issue of $15,000,000 in 3 per cent. stock at 98 just a year ago. What the B. P. likes and wants is worthless gold mines and plenty of them.

INSURANCE.

How bad the fire record of last year has been for our insurance companies is shown by the fact that even a splendidly based and conducted office like the North British and Mercantile has had to register a considerable increase in its loss ratio to 69 per cent. This is the topmost figure since 1893. In one of the intermediate years the proportion was as low as 54 1-2 per cent.

After having been for forty-five years a director of the Clerical, Medical and General Life office, the Rev. John Edward Kempe has writen his "Recollections." For most men of ninety-three years of age it would be rather late in the day to launch out into authorship, but Mr. Kempe is not like most other nonagenarians.

Lloyd's underwriters have just been summing up their experiences of the half year, and the result is not conducive to restfulness. Business has not been brisk, whilst losses have been higher than the average. Rates have also taken up again a diminishing attitude. As the results for 1901 were by no means bad on the whole, the underwriters have some sort of a reserve to fall back upon. The losses, however, have been particularly heavy in what may very well be termed the "fancy" dept.

ACKNOWLEDGMENTS.

THE 29TH REPORT OF THE PENNSYLVANIA INSURANCE COMMISSIONER, Part I., Fire and Marine Insurance. This State, like many others, reduced its supply of insurance companies last year, although seven new ones were authorized. The companies are stated to have risks in force to extent of $2,852,180,526, as against $2,802,971,128 in 1900. Their surplus is stated as $9,382,344, compared with $10,166,584 in previous year, the heavy losses having had the effect of reducing this item. Premiums received were $19,560,851, against $17,971,288 in 1900, the total disbursement having been $20,779,589. The increase last year in fire risks written was $3,924,791,950, and in marine risks, $217,303,380; the total of the latter being $4,523,325,930.

THE 32ND REPORT OF THE INSURANCE COMMISSIONER of Kentucky, 1901, Part I., Fire and Marine Insurance. Last year 16 fire companies withdrew from that State and 3 were admitted. The fire risks in force at close of 1901 were $20,217,922,302, and marine, $68,803,295. The fire losses paid amounted to $79,877,544, and marine losses, $2,861,348. The risks written in Kentucky last year, fire, marine and tornado, were $226,461,507, of which the foreign companies wrote $61,830,540. The average loss ratio was over 60 per cent.

THE 47TH ANNUAL REPORT OF THE INSURANCE COMMISSIONER, Massachusetts, Fire and Marine, 1901. Last year 17 fire companies and 1 marine ceased operations in Massachusetts, and 9 fire companies were admitted. Of the 17 that retired, 11 were re-insured, 1 suspended, 1 had its license revoked. The total cash capital of the companies was reduced, in 1901, from $62,602,875 to $60,602,875, the total surplus was increased from $152,929,942 to $173,373,112, the income from $173,675,631 to $192,721,002, and expenditures, $167,906,832 to $179,145,606. The increase of total expenditures by $11,238,774, which is less by $7,806,597 than the increase of income is a good feature. The fire risks outstanding at close of last year were, $24,768,578,403, which is $903,712,040 in excess of 1900. The foreign companies lost ground in the Commonwealth in 1901, which was gained by American companies.

THE 33RD REPORT OF THE NEW HAMPSHIRE INSURANCE COMMISSIONER, 1901. Last year 7 fire companies withdrew from this State, and one was admitted. The six home companies have a paid-up capital of $1,475,000 and the 77 foreign companies, $43,252,875. The aggregate assets of all the fire companies amount to $259,324,709, and their aggregate total surplus as to policyholders, $130,378,705. The risks written are $111,581,480, premiums, $1,456,852, loss ratio to premiums last year, 60.01. The Commissioner gives several tables and other data to support his contention that the passage of the valued policy law has been beneficial.

JOURNAL OF THE INSTITUTE OF ACTUARIES, Vol. xxxvii, Part 1, April, 1902. This number contains an interesting paper by Mr. David Parks Fackler, an ex-president of the Society, "Regarding the Mortality Investigation, instituted by the Actuarial Society of America." The paper is illustrated by drawings of the remarkable machines in use for executing this work. Another valuable paper is by Mr. James McGowan, F. I. A., Actuary of the Cape of Good Hope Government, entitled, "An Enquiry into The Methods and General Principles to be Adopted in Calculating The Rates of Contribution, or Percentage Deductions from Salary in Case of Superannuation and Pension Funds." Mr. T. E. Young, B. A., contributes a paper, "A Few Notes or Certain Methods of Allotting Surplus." The number has other actuarial papers of much interest and value.