

Bank of England for the amount. How came it to pass that England should place a loan specially to secure gold? This is precisely what the United States did some seven years ago when its Treasury balance of gold was in danger. England is short of gold for several reasons, one being the very large increase in the stock of gold held by the country banks since the summer of 1899, this increase being necessary to meet the enlarged demand for coins to pay wages. Prosperous trade in England always tends to draw the stock of gold in the country towards the manufacturing districts, away from the Bank of England. Then, the shipments of gold have been heavy to South Africa, while, at the same time, the supplies of gold from Australia have been stopped, as they were diverted to the Cape and to Natal. The African fields also have ceased to send the supplies of gold of some 12 to 15 millions yearly, which came to England before the war. The following table gives the movement of gold to and from the Bank at dates prior to the war, and since, with the amount of the bank reserve, the ratio to liabilities, and the rate at each date; brought down to 1st inst.:

Date	Coin and bullion.	Gold in or out.	Reserve.	p.c. reserve.	Bk. rate.
1899.					
May 31.....	30,140,856	277,257 out	19,120,956	384	3
June 28.....	31,651,532	1,510,676 in	20,226,222	414	3
July 26.....	33,176,943	1,525,411 in	21,369,018	444	3 3/4
Aug. 30.....	35,733,546	1,556,603 id	24,118,926	504	3 3/4
Sept. 30.....	34,592,710	1,140,836 out	23,320,400	484	3 3/4
Oct. 25.....	33,766,717	825,993 out	22,527,147	444	5
Nov. 29.....	31,150,689	1,636,028 out	19,335,749	414	6
Dec. 27.....	29,342,367	1,788,322 out	17,847,397	364	6
1900					
Jan. 17.....	34,536,258	5,193,891 in	23,113,423	424	4 1/2
do 31.....	35,501,931	965,673 in	24,951,016	464	4
Feb. 14.....	35,743,261	241,330 in	24,345,456	47	4
do 28.....	33,972,051	228,790 in	24,334,066	414	4
Mch. 14.....	35,831,058	158,953 out	24,445,683	384	4
do 28.....	35,129,997	703,101 out	24,077,288	444	4
Apr. 11.....	32,184,301	2,945,696 out	19,968,156	404	4
do 25.....	32,668,465	484,164 in	11,410,700	424	4
May 24.....	33,510,662	842,197 in	22,123,827	444	3 3/4
June 13.....	32,738,249	772,413 out	21,002,884	44	3
do 27.....	33,642,121	903,872 in	21,221,751	434	3
July 18.....	31,485,344	2,156,777 out	18,910,920	384	4
do 25.....	31,639,576	154,232 in	19,296,336	384	4
* Aug. 1.....	31,033,450	606,126 out	17,941,620	354	4

The dates on which the Bank rate was changed since June, 1899, were: July 12, from 3 to 3 1/2; Oct. 4, 3 1/2 to 5; Nov. 29, 5 to 6; Jan. 10, 6 to 5; Jan. 17, 5 to 4 1/2; Jan. 24, 4 1/2 to 4; May 23, 4 to 3 1/2; June 13, 3 1/2 to 3; July 18, 3 to 4.

It is very noticeable in above returns how heavy was the drain of gold from the Bank between August and December last year, and how rapidly the tide turned after the rate was raised, on November 29th, to 6 per cent. The same process would have been repeated by the Bank. Had the rate been again raised to 6 per cent., there would have been a rapid inflow of gold to take advantage of the high rate prevailing in London. This would have occurred had not the new loan offered an opportunity for adopting a more satisfactory method of acquiring gold, a method not the most economical probably, so far as floating the loan was concerned, but one which protected the whole commercial interests of the old country from the disturbance and the loss involved in the bank rate being raised to 6 per cent.

It was thought more desirable—and we think the decision was wise—to make a slight sacrifice by so floating the loan as to ensure a supply of gold, than to secure the highest price possible, which would have inevitably raised the bank rate to 6 per cent., an advance which would have seriously oppressed the entire trade of Great Britain.

Had the war not broken out, there would have, almost certainly, been an unprecedented accumulation of gold in England, as there has been in the States. The money in circulation in the United States is now very large, as the following official return published this week shows:—

Year	Gold & Gold Certificates.	Total money in Circulation.	Total per Head.
	\$	\$	\$
1900.....	814,574,460	2,062,425,496	26.50
1899.....	734,716,728	1,932,484,239	25.38
1898.....	696,780,519	1,843,435,749	24.74
1897.....	556,432,594	1,646,028,246	22.57
1896.....	498,449,242	1,509,725,200	21.15

To lend 25 millions out of such a stock is not a very serious operation.

The extent to which gold has been accumulating in the States can be judged by a statement before us of the largest amounts held by the New York banks in the number of years. We give the totals of 1896, '97, '98, '99, with the percentage to loans:

	1899.	1898.	1897.	1896.
	\$	\$	\$	\$
Specie.....	202,658,300	186,070,200	104,730,700	77,500,900
Loans.....	771,574,900	718,308,700	610,606,300	457,673,300
P.C. of Specie	26.3	25.9	17.1	15.9

While then the loans of the New York banks reached a maximum last year of \$283,901,600 in excess of the largest figure in 1896, being an increase of over 58 per cent., their stock of gold, in the same period, increased by \$125,157,400 over the maximum held in 1896, being an increase of 160 per cent. There is nothing then in their being able to, or, indeed, desirous of, placing gold at a good rate in an English loan, to excite much surprise. The situation was an ordinary business one. England wished to borrow gold for war purposes, the States had a surplus of gold which the banks and financiers were glad to lend, hence the arrangement to place half the recent British loan in America. Both parties are accommodated, but, as to such an arrangement being evidence of England's impecuniosity as compared with the plethora of the United States, we fail to see how it can be so interpreted.

PRIZE WINNERS IN PARIS.—The New York Life Insurance Company has been entertaining in Paris one hundred and twenty-two agents who distinguished themselves as competitors in a "new business" contest. They were given seven days' entertainment at the Exposition as guests of the company, with expenses paid to Paris and back. They were divided into four groups, one set arriving each week, and some of them came from remote points in Great Britain and the Continent of Europe. All were presented to President John A. McCall, who was then in Paris.

Happy and fortunate winners of a novel reward for good work!