reserve strength. In case of all members the loans decreased $10,912,000; cash increased $400,000; and surplus reserve increased $2,780,000. And in case of the banks alone the loan contraction amounted to $7,819,000, the cash gain to $570,000, and the gain in surplus to $2,377,000. Surplus reserve of banks and trust companies stands at $29,988,000, and that of the banks alone at $29,272,000. This surplus is slowly reaching respectable dimensions and when the sentiment of the Wall Street market undergoes a decided change it will provide a satisfactory basis for expansion of the loans.

MINNESOTA RATE CASE.

The Minnesota rate case was easily the central item of the week's news. In the street it had been confidently expected that the Supreme Court would decide in favor of the Hill railroads—but such was not the case. The railroads are condemned to pay $3,000,000, overcharges made since the Minnesota law was passed. The right of the State legislature to fix the maximum rates complained of is confirmed by the Court; but it is stated that Congress has power to enact legislation which will supersede or override the State legislation. On the question of the confiscatory nature of the Minnesota rates the Supreme Court held that the Hill roads had not proved that the rates were confiscatory. They have, however, the right to try again.

A STATE OF CONFUSION.

It had been hoped that the decision when given would clear up the situation and establish the power of the federal Interstate Commerce Commission as against the 48 State railroad commissions. But the whole question is thrown open and much confusion is expected to prevail until Congress passes the necessary legislation to provide for some uniformity of conditions and laws. As at present each one of the 48 State commissions can fix rates to suit itself, so long as they are not proved confiscatory, and the result promises to be chaos. Taken in conjunction with the unwholesome activity of the new attorney general in assaulting big business, the event has naturally proved very unsettling for the investment public in the United States and abroad.

FIREMAN'S FUND ENTERS CANADIAN FIELD.

The Fireman's Fund Insurance Company has entered the Canadian field. Mr. A. K. Simpson, Eastern manager of the Company, recently visited Montreal, where he appointed Messrs. Robert Hampson & Son, Limited, as agents, and Toronto, where Messrs. Geo. McMurrich & Sons received a similar appointment.

The Fireman's Fund is now celebrating its fiftieth anniversary. After going through the ordeal of the great fire in its home city, San Francisco, it now stands higher than ever. The Company's capital is $1,500,000; total assets, $9,268,924 and surplus over capital and all liabilities $3,104,731.

DOMINION NOTES AND THE CENTRAL GOLD RESERVE.

In the London *Bankers' Magazine*, Mr. H. M. P. Eckardt writes that the establishment of the central gold reserve meets with the approval of the bankers and of all conservative financiers. It should be noted, he says, that the requirement for lodging gold or Dominion notes does not open the way for any inflation of the Dominion note issues, since all issues of Dominion notes in excess of $30,000,000 must be covered by gold, dollar for dollar.

With reference to the Dominion note issues, continues Mr. Eckardt, Hon. Mr. White, the Finance Minister, made a statement, when introducing his bank bill, which has received the heartiest approval of all who wish to see the Dominion issues safeguarded against proposals to convert them into fiat money. Mr. White pointed out that of the $115,000,000 Dominion notes outstanding, between $75,000,000 and $80,000,000 were held at all times by the banks; and that the banks used them in preference to gold because they were more convenient. This banking policy—of bringing in gold from New York and exchanging it for large Dominion notes negotiable only between banks—entailed upon the Government the expense and risk of storing and guarding from $70,000,000 to $80,000,000 gold. And the Minister said that, at the proper time, the banks would be required to reimburse the public treasury for its expense in this matter.

DANGER OF FIAT MONEY.

Presumably, continues the writer, that will be brought about through amending the Dominion Note Act. The banks already pay for the plates and cost of printing of the special Dominion notes for banks only. If they are required also to pay the cost of storing and guarding the gold held as reserve against the notes, there cannot well be any question of the Dominion appropriating a part of this reserve for its own purposes, and decreeing that this portion of its issues shall be covered by only 25 per cent. in gold, instead of dollar for dollar. The Toronto *Globe*, and several other papers with influence, have been urging the Government along that dangerous road. They argue that the gold reserve is needlessly large, and that $1,000,000 or $2,000,000 a year interest could be saved by taking a part of it and spending it.

A POSSIBLE DEVELOPMENT.

Some bankers think, observes Mr. Eckardt, that when the new gold reserve is in good working order, a department may be added in which the trustees will receive deposits of gold and deliver in exchange negotiable demand receipts suitable for use in paying differences at the clearing houses and for cash reserve purposes. If that development occurs, then, of course, the banks would use these instruments instead of the Dominion notes; and the Dominion note circulation would contract to the extent of seventy or eighty millions—the trustees taking over the gold in the public treasury representing that portion of the Dominion issues.

Simply because a man has a fire insurance policy he should not relax his vigilance in the matter of fire prevention, because every step he takes to prevent a fire aids in the reduction of the cost of insurance.
—*Michigan Insurance Commissioner.*