

Notes on Business.

Bank Dividends Raised.

The dividend of the Bank of Nova Scotia has been raised from 12 to 13 per cent. per annum, the first quarterly payment of 3¼ p.c. being made on April 1. This change enables the Bank of Nova Scotia to share with the Bank of New Brunswick, the distinction of paying the highest dividend of any Canadian bank. In 1910, the 12 p.c. rate absorbed only \$360,000 of the net profits of \$662,301, so that there is a very ample margin for the increase. Additional capital is now being raised by an issue of \$1,000,000 stock to existing shareholders at \$268 per share. The first formal notice of a 10 p.c. dividend by the Metropolitan Bank has also appeared this week. It will be in recollection that the change from 8 to 10 p.c. was announced at the recent annual meeting.

Mount Royal Assurance Company.

The report of this Company for 1910 shows that net premiums for the year were \$109,679, an increase upon 1909 of \$11,492. Interest from investments and other receipts amount to \$20,175, making the total net income, \$28,853. Losses, after making provision for all outstanding claims, were \$86,277, or a loss ratio to the net premium income of 44.31 p.c. The year's underwriting profit was \$44,316 and, after adding \$7,746 to the re-insurance reserve fund, bringing this fund, in conformity with the Government standard, up to \$112,865, the balance to credit of profit and loss account is \$102,740. The invested funds of the Company are now \$427,227, compared with \$259,117 at the end of 1909, the interest from these funds being more than sufficient to pay the dividend to the stockholders. The Company's total assets are now \$488,042, and since its establishment in 1903, it has paid losses aggregating \$608,323. At the recent annual meeting the directors and officers were re-elected, the Hon. H. B. Rainville being president, Mr. J. M. Wilson, vice-president, and Mr. J. E. Clement, manager and secretary.

Life Companies' Investments. Lecturing recently before the Insurance Institute of Liverpool, Mr. W. Worthington, F.I.A., of the Royal Insurance Company, made some points with regard to the investments of life funds, which are of interest in view of the opinions on this subject, that have recently been given in our columns. Mr. Worthington observed that a life company, unlike a fire company, does not require to keep a large uninvested balance with its bankers, except possibly to enable it to take advantage of any favorable investment which might come before it. How keen English companies were to take advantage of a favorable turn in the market, said Mr. Worthington, was shown by the fact that among the liabilities of eight companies at the end of 1908 there appeared the item of Temporary Loans, to the total amount of £282,000. The prices of Stock Exchange securities were then failing, and the companies were evidently contracting these temporary loans to enable them to make permanent investments on favorable terms.

To show the change that has taken place in recent years in the character of life office investments, Mr. Worthington exhibited two tables, showing the proportions of the assets invested in the various classes of securities at the end of the years 1898 and 1908 respectively. The tables showed that in the ten years the percentage of the amount invested in mortgages, to the total assets dropped 6 per cent. which was about equal to the rise in the corresponding percentage of debentures. British government securities and Indian and Colonial government securities had both declined in favor.

The London Gold Reserve. The annual financial review issued by the Swiss Bankverein expresses the opinion that events in the London money market during 1910 provided further proof that England's reserve of gold is no longer sufficient for the yearly increasing requirements of British commerce, since comparatively unimportant withdrawals of gold now suffice to cause sudden and often violent fluctuations of money rates, often quite out of proportion to the necessities of the case. The review gives the following table showing, in millions of £, the relation of the stock of gold at the Bank of England to the deposits of the British banks:—

	Deposits and Current Accts.			Gold at B. of E.
	B. of E.	Other Banks.*	Total	
December, 1901.	44	795	839	28.5
December, 1903.	65	805	870	29.8
December, 1905.	53	795	848	29.9
December, 1907.	50	835	885	30.2
June, 1908.	49	845	894	38.6
December, 1908.	62	865	927	30.7
June, 1909.	58	875	935	41.7
December, 1909.	61	885	946	32.6
June, 1910.	75	905	980	42.4

* Estimated.

The conviction grows, continues the review, that the stock of gold will have to be increased and independent gold reserves created by the other banks. Notwithstanding the interest which this question has aroused for a considerable number of years, it has so far made very little progress towards solution and in this respect the position in England can only be compared with that prevailing in the United States. The problem is the more urgent, since, in spite of the large output of gold, the holdings of the Bank of England do not grow at the same rate as the holdings of the Central Banks in other countries, the volume of whose international trade cannot be compared with that of Great Britain. It is no adequate answer to aver that the highly developed method of payment by cheques in use in Great Britain obviates the necessity of large metallic reserves in normal periods and allows of comparatively easy liquidation of liabilities in times of disturbance and crisis. For in England, as elsewhere, even perfectly solvent institutions are in periods of panic never completely safe from the danger of sudden extensive withdrawals of deposits.

Fire Prevention in New York. Fire Commissioner Waldo, of New York, in his annual report, makes some practical suggestions for more efficient methods of preventing fires. He recommends the establishment of a bureau of fire prevention in his department in