

business, which drained gold from the Bank into the tills of provincial banks, and weakened the Bank by quickening the demand for capital, and for the purchase of securities. While all this was going on, which put the Bank of England under a heavy strain in maintaining the enlarged business of the country, the war broke out which called for an enormous supply of cash for the Government, and not only lessened the inflow of gold from South Africa, but actually caused gold to be sent there on a large scale. The table above shows that this year \$2,682,000 less gold has come from South Africa than in 1898, and that \$21,102,000 in gold has been sent there owing to the war. South Africa, taking gold away from England instead of sending large supplies out to that market, is the key to the present high price of money in London. This reversal of the tide of gold is a sufficient explanation of the movement of gold to England. Manifestly such a condition necessitates strong measures being taken to protect the stock of gold held by the Bank being reduced below the safety point. Such conditions advance the value of, by increasing the demand for gold for reserve purposes. When gold is urgently needed to maintain, and to strengthen the reserve of the Bank of England, no other commodity will serve its purpose, so that it is drawn when needed by the exportation of gold being rendered a profitable operation by a high rate of interest, which also checks imports, and thus helps to protect the reserve by decreasing the demand for money.

**EVERYTHING PROSPERING IN UNITED STATES
EXCEPT FIRE INSURANCE COMPANIES.**

(From the "Spectator.")

Regarding the present situation a prominent underwriter says: "The whole country is simply rioting—even groaning—under the weight of increasing prosperity. Each day gives ample evidence of this from the various trade reports in the commercial papers. All trades and mercantile occupations feel the effect of this increased business and commercial activity. The United States, blessed with her free institutions and her vigorous and contented people, bids fair to out-rival the other nations in the march of progress and success. But notwithstanding these facts, when we look at the results of fire underwriting we stand appalled at the enormous fire waste that has been going on all over the country during the present year. And, as if to hamper further the business of fire insurance, to rob it of what little there is of profit under ordinary circumstances, and to threaten it with complete destruction, the legislators of the country are busy enacting all kinds of laws, requiring all sorts of statements to harass and annoy the underwriter, involving besides additional expenses. Capitalists, merchants, commercial men and people of all grades who have property of any kind to insure are interested, and deeply so, in having the fire insurance business placed on a stable and proper foundation without annoying interference from legislative quarters. But, it would appear that no business offers so many

tempting invitations for attack by politicians as the fire insurance business, and why? Because these legislators seem to ignore or are ignorant of the absolute safeguard which fire insurance throws around the commercial prosperity and commercial stability of the nation. If, for instance, during the few days left of 1899, a serious conflagration should sweep over any of our large cities, it is impossible to predict just how many companies could bear the strain and pay one hundred cents on the dollar. It is, therefore, absolutely imperative to the interests of the public that fire insurance companies should remain solvent; and this can only be accomplished by permitting them to so conduct their business along the lines of experience and common sense, free from inquisitorial, expensive and useless legislative burdens as to enable them to obtain a reasonable return for the liabilities assumed. Cheap fire insurance security is often unreliable, but at no time in our history has it been more so than at present. Regarding the great fire waste which has kept up for more than a twelve-month (now nearly twenty millions of dollars greater than last year) in a letter recently addressed by a New England gentleman to one of the daily papers, my sentiments are fully and concisely expressed. He says: 'Students of financial and political economy will, sooner or later, take up this question, and when they do, its importance will force them to present it to the public as a subject that must be dealt with by the people through the State governments, and by public agitation.' And, in my opinion, that is about all that legislators should have to do with fire insurance matters."

BANK OF NOVA SCOTIA.

This eminently strong bank has evidently had another profitable year's business, and the shareholders have been apprised of the capital position of the institution by the notice of an increase of one per cent. in the annual dividend.

CONNECTICUT FIRE INS. CO.

From the Advance Report for the past year we note the continued prosperity of the Company. The Assets at 31st December last amounted to \$3,869,451.75, and the net surplus over all liabilities being \$1,068,839.71.

ACKNOWLEDGMENTS.

Heartily reciprocating the good wishes of the senders, we acknowledge with thanks the following souvenirs of the season:—

Standard Life Assurance Co. Useful blotter and a pocket diary.

Massachusetts Mutual Accident Association. Handsome pocket diary.

North American Life. Handsome pocket diary.

Guardian Fire and Life. A very serviceable wallet and diary.

Highland Cadets. Excellent photograph of Colonel Lydon and officers of Highland Cadets.

Mutual Life. Serviceable calendar and diary.