

The World's New Gold.

The adding of \$300,000,000 gold to their store by the banks of Europe, during the past year, has not been caused solely by trade depression. The world's mining output has been, and is continuing, at a rapid rate. The production of the Transvaal mines alone reached a value of \$13,400,000 for last month—being over two million greater than that of May, 1907, and double the total for the corresponding month of five years ago. During 1908 the world's production of gold is estimated by the Washington Bureau of Statistics to have totalled \$427,000,000. Normally, this would have been steadily absorbed for use in manufactures and arts and by active monetary demands. Business depression, however, led to its being added largely to idle banking reserves and to stocking hoards, the whole world over.

Supplies of newly mined gold, by broadening the visible basis of banking credits, have undoubtedly contributed to "investment potentialities" during the past year. But it must be remembered that the production of gold is only one factor and by no means the most important. Accumulations of idle funds during periods of trade reaction, and their subsequent employment in bringing about investment activity and general business recovery, have occurred when the world's gold output was increasing comparatively slowly. Nor is it safe to conclude that accelerated gold production is necessarily accompanied by quickly rising prices and business expansion. In 1894 the world's supply of gold was increasing at a ratio nearly three times as rapid as in 1908—yet trade recovery was long enough delayed

"Cheap" Fire Insurance.

Two years ago an Ontario market gardener saved four cents an ounce on the cost of half a pound of cabbage seed. In the fall he admitted that he was over \$100 to the bad on the crop, because the bargain seed had lacked vitality. Thirty-two cents saved—one hundred dollars lost. Was it worth while?

The foregoing legend from an enterprising seedsman's spring catalogue is not without a bearing upon recent newspaper discussions relating to fire insurance. There is a tendency in some quarters to overlook the fact that safety is more important than low premiums—cheapness may prove poor economy, indeed, when the time comes for presenting a loss claim.

Nor is the advantage of insuring in a thoroughly reliable company experienced only when a fire occurs. In the credit transactions of modern business, the man who fails to choose wisely the companies he insures in, is seriously handicapped.

Railroad Building and Combining.

When Messrs. Mackenzie & Mann first began picking up railway bargains—here, there and everywhere—the method in their seeming madness was less apparent than it has since become. The disjointed parts have gradually taken their place in the projected whole, and a new transcontinental road is now actively in the making.

Just at present in the United States, railroad interests and railroad speculators are curious as to the plannings of one, Edwin Hawley, who seems to be following the methods of our own "Bill and Dan"—as a New York journal familiarly dubs these Canadian railroading pioneers.

Just now he is said to control the Chesapeake and Ohio, Chicago and Alton, Minneapolis and St. Louis, Iowa Central, and the Toledo, St. Louis and Western. Others in which he has considerable interest are the Hocking Valley, Toledo and Ohio Central, Western Pacific, Louisville and Nashville, and also the Atlantic Coast Line. One indispensable missing link there is in the Hawley chain—namely, connection between Louisville or Cincinnati and St. Louis where all Western connections converge.

"The Hawley System" has become a Wall Street phrase—the question being asked is whether it is to have much else than a Wall Street significance. Does it foreshadow a new transcontinental route, or a stock-jobbing coup? Or, as one financial writer puts it, "Is Edwin Hawley a railroad builder and combiner, or merely a broker in second-hand railroads?"

Newfoundland.

The speech from the throne delivered at the opening of the Newfoundland Legislature cuts out a considerable amount of work for that body. Newfoundland has been the Rip Van Winkle of colonies, and is just awakening to the conditions of modern life. The Morris Government's programme includes an extension of the land and wireless telegraph systems, railway construction, improved steamship service, revision of the tariff, concerted action against tuberculosis and an investigation into the old age pension question. The population of the whole island, with an area of 40,200 square miles, and natural resources of enormous value is only about half as great as that of Montreal. In the matter of the development of public works the appetite grows by what it feeds upon. Railway, steamship and telegraph development are inevitable for Newfoundland; and this will increase the public debt to such an extent as to make annexation to Canada unavoidable.