creed that the companies should within three years liquidate such stocks. This fixing of a definite period regardless of the fluctuating conditions of the stock market was much criticised at the time. The money market passed through a financial crisis and to jettison the millions of stocks owned by the companies would have inflicted a great loss on the companies and their policyholders, and would have been a patent injustice against the clear contention of the framers of the insurance law. A way out of the difficulty was found by extending the period of compulsory liquidation to five years. This grace would expire on December 31, 1911, but last winter it was foreseen that the financial situation had not cleared and the same difficulty presented itself. The life insurance companies through the association of their presidents sought to obtain legislation repealing the compulsory liquidation clause in toto, but Superintendent Hotchkiss demurred to such a course. He was willing, however, to grant further extension of time.

Accordingly a bill was introduced at the instance of the Insurance Department allowing the life insurance companies another five years within which they must dispose of the stockholdings which they still possess, having acquired them previously to the enactment of the State Insurance law. A simple alteration from the word five to ten in the present law was all that was necessary.

It is evident that it has been practically admitted that the compulsory liquidation provision was, to say the least, imprudent. The companies have during the last year disposed of large blocks of gilt-edged securities, but these, had there been no pressure upon the sellers, might in time have fetched even higher prices and realized more for the companies. The Department bill has given relief to the situation, though it simply postpones the definite date by which the balance of the stocks held by the companies must be surrendered.

THE WORLD'S GOLD.

The hoard of gold in the various European state banks since the beginning of 1900, shows an increase of 80 p.c. according to the Wall Street Journal. The holdings amounted to $1,570,000,000 at that period and $2,582,000,000 on August 4th, 1910. On July 30th, 1911 they were $2,826,400,000 distributed as follows:

State Banks.	Stock of Gold.
Austria—Bank of Austro-Hungary	$282,000,000
Belgium—National Bank	37,000,000
Bulgaria—National Bank	6,000,000
Denmark—National Bank	20,000,000
France—Bank of France	642,000,000
Germany—Bank of the Empire	201,000,000
Germany—Local banks	14,000,000
Great Britain—Bank of England	202,000,000
Great Britain—Bank of Scotland (1st May)	24,000,000
Great Britain—Bank of Ireland (1st May)	19,000,000
Greece—National Bank	400,000
Holland—Bank of the Netherlands	58,000,000
Italy—Bank of Italy	195,000,000
Italy—Bank of Naples	51,000,000
Italy—Bank of Sicily	9,000,000
Norway—Bank of Norway	9,000,000
Portugal—Bank of Portugal	7,000,000
Roumania—National Bank	24,000,000
Russia—State Bank	679,000,000
Russia—Bank of Finland	5,000,000
Servia—National Bank	5,000,000
Spain—Bank of Spain	82,000,000
Sweden—Banque Royale	23,000,000
Switzerland—Banque Nationale	32,000,000
Others	210,000,000
Grand total	$2,826,400,000

Note to Table—The holdings of local treasuries and banks, except as to the local banks of Germany, are omitted, as well in this, as in previous statements.

Adding the gold in the Treasury and banks of the United States and other non-European countries, the total is estimated at about six billion dollars. The total of gold coins and bullion in banks and in circulation throughout the world is roughly estimated to exceed seven billions, but this is largely guesswork.

Notes on Business.

Eearnings of Fire Companies. The Insurance Commissioner for Massachusetts, in his newly issued report, draws attention to the conclusions arrived at by the New York legislature investigating committee on the question of fire insurance profits. The committee came to the conclusion that what money is being made in the business is being made by the "old, large, established" companies and that the companies on the whole have not made an excessive profit. The report shows that a group comprising the six largest United States companies have each averaged to earn during the last 20 years, respectively 10.9 p.c., 12.8 p.c., 10 p.c., 9.3 p.c., 10.1 p.c. and 7.6 p.c., or an average for all six companies of 10.1 p.c. on the basis of the stockholders' proprietary interest, which includes the capital, surplus, and 30 p.c. of the re-insurance reserve, the latter for the reason that the business could be re-insured for about 70 p.c. of such reserve. On the same basis, a group of six medium-sized United States companies showed the following average rates of earnings for a twenty-year period:—6 per cent., 8.9 p.c., 6.9 p.c., 4.8 p.c., 9.2 p.c., and 4.6 p.c., an average for all six of 6.6 p.c. On the same basis and for the same period the six smallest companies earned as follows:—8 p.c., 6.2 p.c., 5.9 p.c., 4.8 p.c., 2.3 p.c., and 2.2 p.c., or an average for all six companies of 4.5 p.c. Of six new companies chosen at random and all between five and ten years of age, the earnings on the same basis have been 28.5 p.c., minus 2.3 p.c., 5.1 p.c., minus 2.6 p.c., 8.7 p.c. and minus 1.6 p.c. Three of the six lost money. Four typical English companies and two continental companies made up another group. Their average earnings for the 20-year period were 9.3 p.c., minus 4.7 p.c., 6.7 p.c., 5.1 p.c., minus 1.1 per cent and minus 14.8 p.c.; that is, of the six companies taken, one half of the number had lost money in the United States in the last twenty years.

U. S. Railway Statistics. A statement lately issued by the Interstate Commerce Comission of the United States with regard to the position and circumstances of the United States railways in 1910 contains some interesting particulars regarding their finances. On June 30, 1910, the par value of the amount of railway capital outstanding, according to the re-