

of influence" is in reality the forcible acquirement of new and exclusive spheres of commercial activity.

An unexpected outcome of the present war between the United States and Spain—the probability of the Philippine Islands becoming, temporarily at least, the property of the United States, and the existing uncertainty as to their ultimate fate—has introduced a novel factor into the international situation in Asiatic waters. Up to a few weeks ago none of the Great Powers who have been acquiring new territory in the East appear to have taken into their consideration, either collectively or individually, the possession of those valuable and remarkably fertile islands. That they belonged, and would continue to belong, to Spain, a nation which had long ceased to display either a desire or a capacity for colonial expansion—but which, on the contrary, was gradually losing its hold on its colonial possessions—was tacitly accepted as a settled fact. Now, however, this unanticipated phase of the Spanish-American war has brought the subject of the possession of the Philippines within the range of European diplomacy; for the Power possessing them will wield an enormous influence, a preponderating influence in all possibility, in Asiatic waters and in Asiatic markets. The nation that exerts sway over them will very considerably advance its mercantile interests in the East, especially with Japan, which offers a wide and expanding market to the products of other nations. The United States does a large and an increasing business with Japan, although until a few months ago the balance of trade between the two countries was against the United States, the excess of Japanese imports into that country being no less than 51,000,000 yen in 1896 and 56,000,000 yen in 1897. Foreign trade with Japan is very much hampered by the laws of the country and the treaties which embody them. Foreigners, for instance, are not allowed to carry on business in the interior of the country. New treaties, however, will come into force in July, 1899, under which foreigners will enjoy equal civil rights with natives except in regard to the ownership of land or mines; and a strong impetus will thus be given to foreign commerce with Japan, of which Canadian merchants will, of course, take advantage.

Whether the United States will retain possession of the Philippines (for there is little room for doubt that the Spaniards there will shortly be defeated by the United States troops, aided by the insurgents) either as a colony acquired by lawful conquest or as security for the payment of a war indemnity which the Washington government is likely to demand, or will dispose of them to Russia, France, Germany, or, as is happily most likely, to England, is a question on the settlement of which grave international issues will therefore doubtless depend. The United States can use their possession as a powerful argument in case the subject of European intervention in the war should come up for discussion. It is some satisfaction to know that the question will be settled within a brief space of time.

LIVERPOOL AND LONDON AND GLOBE

The report of the Liverpool and London and Globe for 1897, is a surprising illustration of the ever-increasing strength and abiding prosperity of the Company. Even the losses which they, in common with other insurance corporations, must have sustained by the conflagrations at Cripplegate and in Victoria, has not checked the usual growth in the proportion of fire reserves to fire premium income, and has not interfered with the payment of the increased dividend, to the possible declaration of which the attention of shareholders was called by the directors in the report of 1896. Payment of the dividend of \$7.50 per share is equivalent to ninety per cent. on the paid-up capital of the Liverpool and London and Globe, and it enables one to understand why \$500 of the company's stock will realize in England about \$13,000.

With a widespread business, great resources, and an enviable reputation for solidity and fair-dealing, this company continues year after year to send out reports satisfactory and profitable alike to policy-holders and stock-holders.

The transactions of the fire department for the year 1897 showed a fire premium income, after deducting all re-insurance of surplus risks, amounting to \$7,703,530. The losses, including all known claims to close of the year, were \$4,288,570. After providing for expenses of the department, the surplus of \$825,845 was carried to profit and loss account.

The life business of the company, although, like that of many others, less in volume than that of the previous year, was larger than for four years prior to 1896.

New policies for \$2,361,030 earning premiums of \$120,150 were issued. The total premium income amounted to \$1,210,695 an increase over 1896 of \$59,060.

After allowing for the payment of the declared dividend, the total assets of the company amount to \$47,876,710. The solidity and strength of the Liverpool and London and Globe can be best realized when the statement of the funds of the company are thus set forth:—

Paid-up Capital.....	\$1,228,200
General Reserve Fund.....	6,500,000
Fire Re-Insurance Fund.....	3,700,000
Profit and Loss at Balance.....	4,083,285
Globe Annuity Fund.....	5,514,000
Life and Annuity Fund.....	25,951,225
	\$47,876,710

We extend to Mr. G. F. C. Smith, the resident Secretary and General Agent of the company, our congratulations upon the continued success of the powerful corporation which he represents in Canada. He has enjoyed the esteem and confidence of his confrères in the insurance business for many years, and we trust his connection with the Liverpool and London and Globe may continue to be pleasant to himself and prosperous to the company.