

It was said at the meeting that the civic authorities' average annual fire loss was only \$1,200 and that the risks of the city are at present so isolated that the corporation could never be hit very heavily by an individual loss. The insurance at present is \$472,000 and the value of properties approximately \$2,000,000. Controller Cockburn is reported to have maintained at the meeting that to-day the West was making good, through heavy rates and lack of losses, for big eastern losses, which was hardly equitable from the viewpoint of the West. He is reported further as saying that the stock in all well-managed western insurance companies evidence the prosperity of the business. Where only 22 per cent. of the original capital was paid up by the stockholders, the companies were now paying eight and ten per cent. dividends and the stock was fully paid out of the earnings of the company. This was history, but the companies were still realizing on western risks and the city should be able to profit also.

Attention is being called to the importance among the state insurance departments of the

United States of that of New York under Superintendent Hotchkiss. The New York department is said to be gradually becoming a criterion of national regulation. As a general rule it is stated, the practices of the New York department are being followed up with more or less unanimity by a large number of the other states, and the opinion is expressed that the insurance laws of various states are being interpreted much more for the good of the business than in the old days. The insurance commissioners will be meeting next week at Mobile, Ala., when one of the subjects to be taken in hand, will be the regulation of fraternal insurance and it is expected that legislative proposals dealing with this matter will be submitted in a large number of the States this winter.

Affairs in London.

(Exclusive Correspondence of The Chronicle.)

Government Balances and the Money Market—British Investments Abroad—Their Growth as shown by Income Tax Returns—Labour's Financial Experiments in Australia—The Necessity for Stipulations of Payments in Gold—Board of Trade and "Goodwill."

Although business is far from brisk there has been a little more doing of late. The improving tone of home rails, which is more than justified by recent returns, has been checked by the failure so far to adjust the labour situation in the north; there is, however, every prospect that with the arrangement of an early settlement this market will meet with the recognition to which it is entitled. In the money market a good deal of curiosity has been awakened by the action of the Government regarding the Treasury bills (£12,500,000) falling due this month. Government balances at the Bank of England are unusually heavy—in fact, more than double what they were at this time last year, and it was anticipated that most of the bills would be paid off as they fell due. It is announced, however, that tenders will be received next Monday for £3,000,000 in part replacement

of these bills. Why the Government should desire to retain such large balances is not very evident, but the market is well pleased with the new bill issue, as otherwise it would have been flooded with cheap credits which would have unduly depressed discount rates. On Saturday last Consols touched the lowest price recorded on the Stock Exchange for sixty-two years. The 80¼ to which they fell on that day, is only a shade better than the 80 quoted in 1848. But then, it must be borne in mind the interest was 3 p.c. as against the existing 2½ p.c. rate.

British Investments Abroad: Enormous Increase.

The exodus of British capital is again causing a good deal of controversy in the Press, the recently published income tax returns having renewed interest in the subject. These returns abundantly prove the acceleration that has taken place in the investment of British capital abroad, an acceleration, which in a measure, is responsible for the weakness of certain home markets. The British income from foreign investments, so far as it is traceable, has risen from £66,000,000 in 1904-5 to £80,000,000 in 1908-9 and it is anticipated that a still greater advance will be disclosed in the figures for 1909-10 when they become available. During 1909, out of capital applications aggregating £182,000,000 a mere £400,000 was destined for British railways and less than £9,000,000 for British Government and municipal securities; while, during the first half of this year, out of capital applications reaching an aggregate of £188,000,000 only £22,000,000 were reserved for the United Kingdom. On a 5 per cent. basis (which is probably too high) the increase of £23,000,000 which has taken place during the last five years in the income derived from abroad, represents a capital of £460,000,000. But this huge total underestimates the true position, for the income identified for income tax purposes does not include receipts from colonial and foreign investments which are deposited abroad and on which the interest is re-invested in other securities. And these form a class of investments in which the interests of British capital have, of recent years, probably increased with notable rapidity. From these facts many theorists are drawing deductions in support of their particular political views. The real reasons of this exodus of capital have been frequently discussed in your columns, but there are always those who insist on reading a high political significance into phenomena for which there are perfectly simple and unpolitical explanations.

Labour's Financial Experiments in Australia.

Recent mail advices received in London contain the text of the Governor General's speech at the recent opening of the fourth Commonwealth Parliament. The speech made clear the intentions of the Labour Ministry towards financial matters. Their main proposals are the consolidation of the debts of the various States, and a Commonwealth note issue. The difficulty confronting the consolidation of the State debts, is that each State has power, which it is not likely to relinquish, to borrow further at its own discretion; and should this difficulty be overcome the fact remains that