

spring, the fount of exact knowledge, which in this case is English history. Assessments were levied long centuries ago on the members of a certain class of friendly societies to raise a benevolent fund. A society of this class was called a "Guild," which was a combination of a trades union, a friendly society and a religious brotherhood. Mr. Toulmin Smith's work and others deal fully with the organization and work of Guilds. The wealthy London trade societies trace their origin to mediæval guilds, but no organic bond exists between these corporations and their prototypes. Some person, probably, after reading a shallow account of old time Guilds in a newspaper, came to the conclusion that they were assessment friendly societies that have survived to this day in the London trade corporations. This seems a reasonable theory to account for the assertion to which we gave a decided denial on October 25th, and which has called forth Mr. Fackler's challenge. He offers a very easy way to earn \$1,000—or an impossible one!

BANK OF MONTREAL.
HALF-YEARLY STATEMENT.

The Bank of Montreal's custom of issuing a half-yearly statement to end of October is one that might be followed by other banks with advantage. It is true the monthly statement sent out by the Government gives the details of the business position of each bank, but, though the totals are published by the press, the returns of each bank do not reach the shareholders or the public except once a year. A favourable report for past half-year was anticipated, as every condition of business since last spring has given promise of expansion and of enlarged profits to the banks. Some of the features in the statement afford very striking evidences of the enlarged business done in Canada in the past year, and of the remarkable growth of the monetary resources of the people. In October, 1900, the circulation of the Bank of Montreal was \$7,384,408, which was only \$230,551 larger than in 1899, and \$1,016,657 in excess of October, 1897. Since October, 1900, the circulation has advanced to \$8,308,340, which exceeds the amount at same date in 1900 by \$923,932, the increase being nearly as much as took place in the two years from 1897 to 1899. The deposits show large increases. Those not bearing interest rose during the year from \$18,104,058 to \$24,178,169, an increase of \$6,074,111, and those bearing interest from \$49,127,812 to \$60,415,804, an enlargement of \$11,287,992. The gross increase in the deposits held by the Bank of Montreal since October, 1900, was \$17,362,103. The current loans and discounts went up from \$58,621,304 to \$60,023,661. As the result of this enlarged business the net profits were \$711,828, as compared with \$682,903 at same date 1900, the increase being \$28,925 for the half-year. After paying the usual 5 per cent. half-yearly dividend the sum of \$111,828 remained to augment the balance at credit of profit

and loss, which now amounts to \$876,531, and the Reserve Fund, \$7,000,000. The addition of another million to the Reserve Fund is now in sight, as the balance at credit of Profit and Loss is likely to be close upon, if it does not reach, one million dollars at the end of current year.

The full statement will be found on a later page.

GOLD RESERVES OF CANADIAN BANKS.

It is an old saying, "Death loves a shining mark." It is equally true that depreciating critics have the same taste. The brighter the surface the easier is it to deface, and the more a thing shines, the more pleasure disparagers have in soiling it. For some time past there have appeared in a contemporary criticisms of individual banks and comments on banking affairs, all of which have manifested the same querulous, depreciating tone. The latest outbreak of this spirit has been an article condemning the banks of Canada for keeping such small gold reserves. The percentage is given of the stock of gold held by the several banks, showing the proportion of gold on hand to the circulation and deposits. A comparison is made between these percentages and the reserve of the Bank of England. Such a comparison is quite irrelevant, as the Bank of England holds the reserves of many of the other English banks and some foreign ones, which rely upon their securing cash from the Bank when an emergency arises. The facility with which gold can be procured from the Bank of England enables the provincial banks of England to dispense with any gold reserve, the stock they hold being, as a rule, only what is required for current use. If the statements of the English banks are examined it will be found that the amount of gold on hand is seldom stated, the cash reserve is commonly given as, "Cash at head office, branches, and Bank of England," or "Cash on hand and at call, or short notice," or, it is in two parts, as, "Cash on hand and with bankers," and, "Cash at call and short notice." The percentage of these cash reserves averages about 10 per cent. of the liabilities, including, in some cases, the "Cash in Bank of England and at call." Many strong English banks have actual cash reserves of less than 10 per cent. We have before us the statements of banks whose head offices are at Nottingham, Sheffield, Bristol and other cities, in which the stock of cash reserves is lower than 10 per cent. of total liabilities. Stuckey's Banking Co., Bristol, which is a very old and strong bank, in its report for 1900, shows, "Cash at Bank of England, bankers, head office, and branches, £396,247, and liabilities, £7,234,945." The cash reserve, in hand and at call being only 5.47 per cent. of liabilities. The 83 English joint Stock Banks, including the Bank of England, had gross liabilities in 1900 amounting to £771,576,952, and the "Cash in hand, Money at Call and Short Notice amounted to £169,760,833, the percentage to liabilities being 22 per cent." That total of £169,760,833 includes, as is stated, "Money at call and short notice," so that, in order to make a fair comparison between the cash reserves of the English banks, and those of the Canadian banks, it would be