

batted successfully it should be guarded against before it actually broke out.

The author then pointed out that shabby, combustible buildings should be prohibited, and indestructible buildings erected. It was, of course, a personal matter whether a man would choose to save his own property or not. But it was not a personal matter whether a man through neglect, should contribute to destroy the property of his neighbour. It was too much to expect that the individual would replace combustible with incombustible material in his buildings. That was a question for the state to regulate. It was really a question whether a man who put up good buildings should be taxed as much as a man who did not. Would it not be preferable to establish a sliding scale of taxes, and reward the man who built fireproof structure by taxing him less, and punish the man who kept to the old plan by taxing him more.

This hypothetical discrimination of taxation was referred to as theoretical, and the writer added that architects had some responsibility in the matter. It was truly lamentable to see the little attention paid to fire-proofing, and was it not true that many architects were more interested in some piece of carving than in fire-proofing a building. Such a man forgot that real art was truthful and that buildings put up in any other way were nothing but whitened sepulchres.



THE OLD LADY OF THREADNEEDLE STREET.

A Series of Short Articles upon the Bank of England. Its Working Methods and World Influence.

II.—How the Present Weekly Return Originated.

The exact form in which the Bank of England weekly return appears was treated in some detail last week—also the making up of the exhibit of principal items, as printed week by week in newspaper pages. For instance, in the *Montr'al* dailies of last Friday the following changes from the previous bank showing were reported for the week:

Total reserve.....	Inc.	£1,057,000
Circulation.....	Dec.	75,000
Bullion.....	Inc.	981,000
Public deposits.....	Inc.	927,000
Other deposits.....	Inc.	3,754,000
Notes reserve.....	Inc.	891,000
Government Securities.....	Unchanged	
Other securities.....	Inc.	3,640,000

On Saturday there appeared a fuller statement, comparing items with the corresponding week in 1906, as follows:

	1907.	1906
(a) Bullion	£36,837,000	£37,797,000
(b) Reserve.....	26,016,000	26,918,000
(c) Notes reserved.....	24,547,000	25,499,000
(d) Circulation.....	29,271,000	29,329,000
(e) Prop. reserve to liabilities.....	48½ p. c.	50½ p. c.
(f) Public deposits.....	7,567,000	11,145,000
(g) Other deposits.....	46,372,000	42,237,000
(h) Government securities.....	14,573,000	15,972,000
(i) Other securities.....	31,545,000	28,723,000

Then followed an exhibit showing that the more important items in the Bank of England statement

at this date in the past few years compared as follows:

	(a) Bullion.	(b) Reserve.	(i) Other securities.
1907.....	£36,837,000	£26,016,000	£31,545,000
1906.....	37,797,000	26,918,000	28,723,000
1905.....	36,822,000	26,170,000	29,203,000
1904.....	36,519,000	26,641,000	25,122,000
1903.....	35,737,000	24,570,000	25,063,000
1902.....	37,463,000	25,842,000	25,814,000
1901.....	39,071,000	23,057,000	26,716,000

The ratio of the Bank of England's reserve at the same date in a number of years was as follows:

	Per cent.		Per cent.
1907.....	48½	1901.....	52
1906.....	50½	1900.....	41
1905.....	46½	1899.....	49
1904.....	55½	1898.....	48½
1903.....	47	1897.....	54½
1902.....	52½	1896.....	59

In the foregoing summaries, as pointed out in last week's article, the item (a) "bullion" includes the "coin and bullion" from both the Issue and Banking Departments; (b) "reserve" refers more directly to the latter department and consists of the sum of "notes reserved" and "gold and silver coin"; (c) "notes reserved" are those notes issued but not at present in (d) "circulation," being held as part of the reserve; (e) the "proportion" of such reserve to liability is obtained by considering the liabilities to the public, consisting chiefly of (f) "public deposits" and (g) "other deposits"—to which is to be added the comparatively trifling item of "seven-day and other bills"; (h) "Government securities" and (i) "other securities" with the reserves above mentioned make up the total assets of the Banking Department.

The dual capacity of the Bank, as implied in the foregoing mention of two distinct departments, is to be kept in mind in considering the origin of the present form of the Bank return, and in studying the practical working of the institution. Some slight historical reference is perhaps necessary, and will make clearer the respective functions of the Issue and Banking Departments. The present constitution of the Bank of England dates back to the Bank Charter Act of 1844—the form of organization adopted at that time being the result of exactly a century and a half of previous evolution. This act passed in July, 1844, continues without alteration to the present day; and though not without its critics, has worked and continues to work on the whole remarkably well, having succeeded in any event in maintaining the British banking system in an eminently sound condition.

The main provisions of the act, as applying to the Bank of England, may be summarized as follows:—

I. Entire separation of the Issue Department and ordinary Banking Department.

II. Securities to the value of £14,000,000 (including the fixed Government debt of £11,015,100) to