

if general conditions in the Dominion continue as at present, a very heavy expansion in this account may be safely anticipated between now and December.

While the Canadian demand deposits show again a slight falling off, as in June, the notice deposits are up by \$9,000,000 to well over \$640,000,000. In connection with the decline in the demand deposits, we may again point out that this is in all probability merely the natural re-action following the extraordinary gain of \$31,600,000 effected in May. While that record monthly increase was due to special transactions, it is naturally to be expected that these funds would be drawn upon for expenditures during the summer months, and in that case the withdrawal of the special funds would have a tendency to offset or neutralize gains of deposits from other sources. The foreign deposits, it will be noticed, fell off by \$4,000,000 last month, thereby no doubt reflecting the position of the London market, now congested with Canadian securities, and for the time being unwilling to take further new issues.

The statement of the banks' reserves continues to be of a satisfactory character. In addition to the first line of immediately available assets comprised in cash, foreign bank balances and foreign call loans, it may be noted that last month the banks increased their security holdings by \$3,500,000. Whether part of the foreign call loans will be shortly transferred to Canada in the shape of gold remains to be seen.

THE BRITISH TRADE BOOM AND THE RESERVE POSITION OF THE BANKS.

The tide of industrial prosperity in Great Britain is, as the London Economist puts it, flowing strong. The trade returns for the month of July have easily beaten all previous records, and by very handsome figures too, as the following table shows:—

| | Imports. £ | Exports. £ | Re-Exports. £ |
|------------|---------------|---------------|------------------|
| July, 1906 | 48,607,800 | 33,442,962 | 6,059,325 |
| " 1907 | 52,207,774 | 40,452,331 | 7,388,291 |
| " 1908 | 46,769,015 | 33,705,725 | 6,310,928 |
| " 1909 | 50,316,493 | 35,487,240 | 7,374,231 |
| " 1910 | 49,374,008 | 38,388,177 | 8,221,595 |
| " 1911 | 51,038,181 | 34,607,636 | 8,178,719 |
| " 1912 | 58,304,351 | 41,986,360 | 7,093,669 |

Naturally, as is always the case in times of prosperity, the present returns are swollen by the rise in prices, but that the increase is real and not merely nominal, the following table shows:—

| BRITISH EXPORTS. | | | |
|--|-----------|------------|------------|
| | 1910. | 1911. | 1912. |
| Coal tons | 5,458,000 | 4,880,000 | 7,042,000 |
| Iron and steel manufactures tons | 416,000 | 311,000 | 424,000 |
| Cotton piece goods, million yards | 563 | 470 | 635 |
| Machinery tons | 60,316 | 48,681 | 60,352 |
| IMPORTS. | | | |
| | 1910. | 1911. | 1912. |
| Raw cotton cents | 7,849,322 | 10,764,106 | 15,911,675 |
| Wool million lbs | 586 | 586 | 593 |
| Rubber cwt | 569,904 | 525,060 | 600,667 |
| Petroleum mill. gallons | 202 | 207 | 226 |
| Hides cwt | 766,150 | 644,307 | 920,395 |
| Iron & Steel tons | 745,337 | 1,026,750 | 1,069,334 |

The effect of this trade boom upon the banks is also shown by the Economist in its usual half-yearly survey of the position of the English banks which have their head offices in London. The tendency towards a less liquid position, which has been notice-

able since the present trade boom began, has been continued. The banks' position in comparison with that of 12 months ago is summarised in the following table, it being premised that the liquid assets included in column 3 are cash in hand and at the Bank of England, money at call and short notice and English government and Indian stocks:—

| Banks | No. of Offices. | June, 1912. | | Percentage of Col. 3 to Col. 2, June, 1911. |
|------------------------------|-----------------|-------------------------------|--------------------------------------|---|
| | | Current and Deposit Accounts. | Cash, Money at Call and Investments. | |
| Glyn, Mills | 1 | 17,148,000 | 10,125,000 | 59.0 63.3 |
| Martins | 13 | 3,228,000 | 1,851,000 | 57.4 53.9 |
| Joint-Stock | 276 | 35,020,000 | 18,952,000 | 54.1 56.9 |
| Parr's | 269 | 41,786,000 | 21,684,000 | 51.9 50.9 |
| Union & Smiths | 212 | 41,423,000 | 20,881,000 | 50.4 53.0 |
| London & Prov. | 318 | 17,590,000 | 8,766,000 | 49.8 52.3 |
| Barclay & Co., Ltd. | 424 | 56,471,000 | 27,771,000 | 49.2 51.5 |
| National Prov. | 350 | 65,592,000 | 32,212,000 | 49.1 49.5 |
| Lon. & Sth.-West. | 186 | 19,024,000 | 8,938,000 | 47.0 49.6 |
| Capital & Counties | 469 | 39,013,000 | 17,861,000 | 45.8 47.5 |
| Lon. City & Mid. | 707 | 80,236,000 | 33,208,000 | 41.4 42.1 |
| Williams Deacon's | 107 | 16,175,000 | 7,374,000 | 39.7 46.6 |
| Lon. City & West. | 344 | 82,212,000 | 31,671,000 | 38.5 40.1 |
| Lloyds | 628 | 86,925,000 | 32,783,000 | 37.7 40.3 |
| Totals | 4,304 | 601,843,000 | 274,077,000 | 45.5 47.2 |

It is pointed out by the Economist that the present ratio of 45.5 per cent. is quite below any previous experience. Four banks, holding not far short of one-half of the total deposits, have each a proportion below the average, whilst the average of their liquid assets is only 39.5 per cent.

THE ITALIAN LIFE INSURANCE MONOPOLY.

(Continued from page 1195).

We continue below a summary of the most interesting provisions of the law constituting the new insurance monopoly in Italy. The following provisions refer particularly to the treatment accorded to the existing companies:—

Within ninety days of the enactment of this law, all foreign and domestic life insurance companies doing business in the Kingdom shall present to the Registry of the place where they have their principal office in Italy, a list of all life insurance policies issued by them and still outstanding, with the following details for each policy: Number, date of issue, Christian and family names of the beneficiary, form of insurance contract and amount insured.

The amount insured by each contract outstanding at the time of the enactment of this law cannot be increased. All contracts stipulated for the purpose of increasing the amounts previously insured shall be null and void.

All contracts of insurance on human life which shall not have been listed and closed in accordance with the provisions of this Section, and within the time as established for this purpose, shall be null and void and considered as a fraud against this law, whatever their dates may be.

Tontine associations and associations of similar nature, whether domestic or foreign, are forbidden in Italy, and their members are transferred to the National Accident and Pension Institute and the National Insurance Institute.

The domestic and foreign companies which, at the time of the approval of this law exercise the life insurance business in the Kingdom shall, within one