

# The Chronicle

## Insurance & Finance.

R. WILSON-SMITH.

Proprietor.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY.

VOL. XXV. No. 20.

MONTREAL, FRIDAY, MAY 19, 1905

SINGLE COPY, 10c  
ANNUAL SUBSCRIPTION \$2.00

### Russian Gold Reserve.

Sir Howard Vincent took on himself to visit St. Petersburg to test whether the gold stated to be held by the Government was really in their possession. He visited the vaults of the State Bank and has reported that he saw gold in coin and in bars for all that is claimed. He was furnished with evidence that in his opinion, shows that the grand total of the reserve of gold in the State Bank of St. Petersburg in coin and in bars, in the provincial branches and treasuries, and in foreign banks amounted on that day to 1,050,136,455 roubles, or, taking the exchange at par, to £111,037,425 sterling, in currency \$555,187,100, which sum Sir Howard Vincent regards as double the amount required to cover the note issues. He writes, "Access to the vaults, which are built throughout of solid masonry, without wood or inflammable substance, is only possible in the simultaneous presence of three out of four chief officials, whose seals are upon the sentry-guarded entrance gate. The outer walls are surrounded by a company of infantry. The gold coin is in large sealed bags, each containing four smaller bags holding 7,500 roubles. These large bags are stacked in long lines, easily counted to see that they conform to the sign tally. The bar gold is on grated shelves round the walls—a gap being at once noticeable.

"The Governor of the State Bank, his Excellency M. Timacheff, and the Director of the Issue Department, Mr. Hahn, who accompanied me with other officials, pressed me to select bags and bars of gold at random for counting, weighing, etc., etc.

So far so good. But as no one had thrown any doubt upon the Russian Government holding a large stock of gold, the verification of this fact was gratuitous and irrelevant to the only question in which financiers are deeply interested in this connection, which is, how far is the gold held at St. Petersburg really available for meeting the obligations of the Russian Government? Respecting this

there is great anxiety not only amongst financiers but also in commercial circles in England where Russia's trade credit is under suspicion. The gold held in Russia is known to be largely the proceeds of loans for the re-payment of which this reserve gold is held. If Russia then goes on spending on credit, her borrowing power will be reduced, her gold reserves will be drained, the note issues will no longer have a gold basis but will become an inconvertible paper currency, and the finances of Russia will collapse. There can be no doubt that Russia needs peace to save her from a great monetary and trade disaster.

Mr. J. G. Van Cise, actuary of the **Total Abstinence And Longevity.** Equitable Life Assurance Society, has published a paper on "The Effect of Total Abstinence on the Death Rate," which presents a strong case in favour of entirely avoiding the use of alcoholic beverages, and of favourable rates being granted by life companies to those who so abstain. This position has been supported by Sir Frederick Treves, the renowned surgeon, who, on the 4th inst., delivered an address at the Church House, London, England, on "The Physical effects of the use of Alcohol," in which he said, "Alcohol, of course, is distinctly a poison. It had certain uses, like other poisons, but the limitations on its use should be as strict as on arsenic, opium and strychnia. It was a curiously insidious poison, producing effects which seemed to be only relieved by taking more of it—a remark which applied to another insidious poison, morphia, or opium. It had a certain position as medicine, but in the last 25 years its use by the medical profession had steadily and emphatically diminished. People were often heard to say that alcohol was an excellent appetizer when taken before meals. But the appetite did not need artificial stimulation; if the body wanted feeding it demanded food. As for its 'aiding digestion,' it hindered digestion even when taken in small amounts, as could be easily demonstrated. As a work producer