

BANKING DEPARTMENT.

£	£
Prop'rs' capital.... 14,553,000	Gov't securities..... 17,636,390
Res. 3,530,542	Other " 27,794,531
Public deposits 8,003,422	Notes..... 19,615,755
Other " 40,766,866	Gold and silver coin. 1,995,314
Seven day and other bills..... 188,160	
67,041,990	67,041,990

Including Exchequer, Savings Bank, Commissioners of National Debt and Dividend Accounts.

Signed, I. G. NAIRN, Chief Cashier.

What constitutes the most marked differential feature in these statements is the separation of the "Issue Department" account from that of the "Banking Department." The items "Government Debt" and "Other Securities," whose total is \$18,175,000, are fixtures; up to this minimum figure the Bank may issue notes, but beyond that amount any notes issued must be covered by an equal amount of gold and silver, either coin or bullion, but the privilege of issuing against silver up to a certain percentage of the total is not exercised, as it is regarded with extreme disfavour by English bankers.

The issue of notes is thus regulated by the stock of gold, hence the close watch kept on the movement of gold held by the Bank of England, for this gives a practical indication of the loaning capacity of the Bank, of its need for more gold, or superabundance, upon which conditions depend the bank rate. The weekly statement, which is issued by the London financial journals, they supplement by a comparative table showing the following and other items:—

	Jan. 14, 1903.	Jan. 15, 1902.	Jan. 16, 1901.
	£	£	£
Circulation.....	28,791,370	29,232,240	29,119,315
Public deposits.....	8,003,422	10,327,907	7,003,552
Other ".....	40,766,866	42,046,936	43,714,740
Gov't securities.....	17,536,390	20,372,539	18,097,471
Other ".....	27,794,531	26,796,667	31,062,744
Reserve of notes and coin.....	21,611,069	23,459,790	19,825,616
Coin and bullion.....	32,227,439	34,977,080	31,169,331
Proportion of reserve to liabilities.....	44½ p.c.	44½ p.c.	39 p.c.
Bank rate of discount..	4 p.c.	4 p.c.	5 p.c.

In this connection it will be of interest to note the movement of gold as effected by the changed conditions in the Rand, the gold fields in South Africa.

The almost entire cessation of gold production in the Transvaal in October, 1899, as a consequence of Mr. Kruger's insane declaration of war against Great Britain, might have been expected to cause a material decrease in the stock of gold held by the Bank of England. In 1897 the production was 3,034,674 ounces, in 1898, 4,295,602 ounces, and in the 9 months before the war in 1899, 3,913,810 ounces, the other 3 months showing a production

of only 155,356 ounces. In 1900 and up to May 1901 the total was 251,801 ounces, then there was a production to December 1901 of 238,931, and in 1902 of 1,704,410 ounces of gold. Had the war not occurred the production of gold would have been almost certainly 12 to 14 millions of ounces more than it was. It is a curious fact that the amount of coin and bullion in the Bank of England when the war broke out in South Africa in 1899 was £32,441,022, and in January, 1903, the amount was £32,227,439, a difference of only £213,583. In the interval the variations from this figure in the Bank of England statements have never shown any sign of the reduced supply of gold. The explanation is that the decreased supply diminished the exports of gold from Great Britain, but the Bank of England kept up its stock so steadily as to have avoided any serious changes in the bank rate, the 6 per cent. rate which followed the war scare having soon given way to 3 per cent. in the summer of 1900. Now that the gold fields in the Transvaal are again developing it is probable that the supply will enlarge the stock in the great banks of Europe and render them less liable to rely upon the Bank of England, which conditions are favourable for ease in the money market.

INSURANCE INSTITUTE OF MONTREAL.

PAPER BY MR. DAVID BURKE, A.I.A., F.S.S., ON
"CANADA AS A FIELD FOR LIFE INSURANCE,"
AND BY PROFESSOR R. J. DURLEY ON "COLD STORAGE."

The monthly meeting of the Insurance Institute of this city, held on 29th ult., was only thinly attended as the weather made the night one of the most disagreeable of the season. The car service also was blocked for a length of time. The two papers read were both valuable and interesting. The one by Prof. Durley on "Cold Storage" was illustrated by lantern views given by Mr. Giffen, which enabled the technical points of the paper to be more clearly understood. The paper contributed by Mr. David Burke, General Manager of the Victoria Life, was entitled, "Canada as a Field for Life Insurance." We publish this paper in full in this issue. It was prepared at the invitation of the Federation of Institutes of Great Britain and Ireland as a contribution by the Insurance Institute of Montreal to the "Journal of the Federation of Institutes."

The paper opens with data showing the advance of life assurance in Canada since 1859, in which period the amount in force has risen from \$35,680,000 to \$463,760,000. As the population since 1869 has only increased by 1,730,000, or 47.5 per cent.