

ments for the time being so large, as to make heavy calls upon her floating capital. Therefore, to ease the situation, to keep the home supplies of money up to the demand in the most ready and economical manner, England has accepted the financial aid of American capital, which prevents her war loan straining the home reserves and so causing an advance in the bank rate which would cause injury to British commerce. How active trade in England is shown by the London Clearing House returns for third week in April which amount to \$1,032,350,000, which is \$390,000,000 in excess of same date 1900, and \$535,000,000 more than in April 1899. At the end of last year the banks of England, Scotland, and Ireland, had \$3,900,000,000 of deposits in hand, the private bankers had \$200,100,000 of such funds, so that had the entire loan recently allotted been distributed amongst them their deposits would have been drawn upon only to the extent of $3\frac{1}{2}$ per cent., the amount called for would have still remained in the country, though directed from the ordinary channels of trade.

The placing of \$100,000,000 of Consols with American capital is, doubtless, a very large and important transaction, but it is altogether too insignificant to indicate the transference of the monetary centre of the world from London to New York.

THE INCREASE IN DEPOSITS IN THE CHARTERED AND SAVINGS BANKS OF CANADA BETWEEN 1880 AND 1901.

The table on another page which gives statistics relating to the expansion of deposits in the banks of Canada will, we believe, excite not only great interest but considerable surprise, with no less gratification and pride. In Palgrave's handy little work on banking Canada is spoken of as a country without capital. Certainly the amount on deposit at the time Confederation was established was very small, not so much indeed as is now held by several banks. Up to 1880, after 12 years under Confederation, during which time extensive public works were carried on and great changes made of a political, fiscal and economic character which added much to the trading resources of the country, the people of Canada had only \$63,682,874, on deposit in the chartered banks, of which \$35,530,959 consisted of the credit balances of active accounts, a large portion of which amount is made up of unused money derived from bills discounted. The deposits payable after notice which more correctly represent the surplus resources of the people, their savings, and "nest eggs," or nonutilized capital in 1880 only amounted to \$28,151,915. The population in 1880 is estimated to have been 4,500,000, so that the amount per head of deposits, of both classes, in the chartered banks was \$14.15. If to these are added the

amount in the government and other Savings Banks the amount per head of deposits was \$18.09.

This year, at the close of March, the population being estimated at 5,700,000, the amount per head of deposits of both classes in the chartered banks of Canada was \$52.78 as compared with \$14.15 in 1880. Adding the amount in the government and other Savings Banks to the total deposit in chartered banks we find that the amount per head on deposit at end of March last was \$65.63, as compared with \$18.09 in 1880. That is, since 1880, the average sum per head laid up in a bank by the entire population of this Dominion has increased in the last 20 years by \$47.54, the present amount being over four times that of 1880. The dominance of the savings element in this increase is shown clearly by the credit balances of active accounts, called deposits on demand having increased since 1880 by 157 per cent., while the deposits payable after notice have increased 646 per cent. The Savings Banks deposits since 1880 have increased 316 per cent. By putting all the deposits together, in the chartered and savings banks, and comparing them with the total in 1880 we find that the increase since that date has been 360 per cent. The largest proportionate increase in the total deposits was between 1880 and 1890, it was during that period that the expansion movement commenced to rapidly develop. In such a general movement for a whole country it is the same as with an individual, it is saving the first \$100 or \$1000 that is the difficulty; after that has been secured the habit of saving has become established, and the work of accumulating becomes easy.

CONFEDERATION LIFE ASSOCIATION.

The 29th annual report, with financial statement of the Confederation Life Association are published in this issue. The results of the year's business were satisfactory alike to shareholders and policyholders. The premium income was increased \$63,737 over that of 1899, and the receipts from interest and rents were larger by \$23,526, making together an addition to the income over previous year of \$87,263, the total amounts being, premiums, \$1,063,748, and interest and rents \$329,121. Although this increase of \$87,263 was realized in income, the expenses were only increased, \$10,270, which indicates strict economy in management. The amount paid to the heirs of policyholders was \$703,924. Of this sum \$278,072 was for death claims, which is less than the expectation. There was \$85,123 paid to policy holders as "cash profits," and \$256,714 for "endowments."

Notwithstanding the heavy payments to policyholders and the more stringent valuation of liabilities adopted by the Confederation Life Association, the cash surplus to policyholders above all liabilities is stated as \$400,771, under the Association's standard, and, by the government standard, \$505,526. The expense ratio last year was the lowest in the history of the company. Mr. J. K. Macdonald, managing director, is one of the most conservative managers of life assurance business. The company under his care has made and is continuing to make steady and solid progress.