lesser amount being passed to the credit of our banks from proceeds of shipments, but doubtless the heavy importations of last year are having a marked effect upon the balances due in Great Britain to our banks. Considering the very large increase in our exports and imports in the last few years it is somewhat notable how small are the balances due *from* the banks of Canada to English agents and from the banks and agencies in the United Kingdom *to* the banks of Canada.

The financial movements created by our growing foreign trade seem to equalize each other so nearly as to cause no large balances either way. At the end of 1896 the *net* balances due to the banks of Canada by British banks and agencies was $6,700,000 when the exports and imports to Great Britain in the course of that year had aggregated 100 millions. At close of last year the *net* balances due from British banks and agencies amounted to 3½ millions, when the aggregate of imports and exports had reached a total of 170 millions. Large then as were our imports of British goods in the past year we managed to close the year with a balance to our credit in British banks and agencies.

The decrease in circulation from $60,574,144 to $55,040,987, a decline in January of $5,533,157 was not as great as some expected; the reduction equalled 9.1 per cent. as compared with the reduction of 10.6 per cent. in January, 1901. Between June 30, 1902, and October 31 there was a rise in the note issues from $53,953,043 to $65,928,973, an increase of $11,975,930, then, from October 31, 1902 to January 31, 1903, there was a reduction of $10,887,986, so that, of the increase in circulation caused by harvest conditions, there remained at end of January one million still in the hands of the public. But, for a length of time past the annual increases and decreases in amount of note issues have left them higher at end of each year, so that although the circulation ran down last month to extent of $5,533,157, the amount left out in hands of the public was $6,454,458 larger than at end of January, a year before. The total January circulation in several preceding years, with decrease below preceding December, were as below:

	January circulation.	Decrease below December.
1903	55,040,987	5,533,157
1902	48,586,529	5,786,259
1901	45,025,306	5,732,940
1900	41,320,083	4,679,670
1899	36,916,579	3,341,802
1897	30,208,157	2,887,627
Percentage of increase 1903 over 1897		83.33 per cent.

The reduction in call loans in Canada last month was $1,066,882, which was more than offset by their increase outside Canada to extent of $1,455,504. Current loans and discounts remained practically as at end of December, the change being only a decrease of $281,148. Foreign loans were reduced $3,070,852. The net result of these variations was a decrease of $2,963,378 in the aggregate of loans to the public. The Canadian deposits also were reduced last month by $3,324,138, and the foreign ones by $1,069,435 making a total decrease in these funds to extent of $4,393,573.

The increase in capital stock of the Molsons Bank by $2,500,000, by which it is raised to $5,000,000, and the purchase of a line of Atlantic steamers by the Canadian Pacific are referred to elsewhere.

ASSESSMENT LIFE INSURANCE versus LEVEL PREMIUM.

At a meeting of the members of the Insurance Institute of Yorkshire, Mr. Philip L., Newman, B.A., F.I.A. (actuary Yorkshire Insurance Company), delivered his inaugural address, which is reported in "Insurance Gazette." He touched first upon accident insurance, referring specially to the legal interpretation of average weekly earnings, under which it was possible to award 11*d.* a week under the Workmen's Compensation Act, as recently reported. Fire business was only briefly referred to, the greater portion of the address relating to life business. He approved the principle of the Act of 1870, which ensured freedom with publicity, and deprecated any system such as the American with State control. The rates of interest during the past ten years were reviewed, having fallen from about £4 2*s.* per cent. to under 3¾ per cent. The expenses had diminished, chiefly owing to reductions in the expenses of management, from 14.52 per cent. to 13.73 per cent. Different methods of allowing for the incidents of new business on the expenses were considered, and examples given of each method, which showed that a company with the highest average ratio might be the most economically managed if its new business were large.

Assessment insurance occupied a large portion of the address. The history of a company which recently had changed its system to that of a "legal reserve" was reviewed, as an example of the inevitable fate which must overtake the assessment companies.

Three examples were given of assessment companies, of which the following is a summary :—

	(1) Numbers decreasing.		(2) Numbers stationary.		(3) Numbers increasing.	
	1893.	1901.	1893.	1901.	1893.	1901.
No. of members to nearest 1000, ...	123,000	56,000	22,000	23,000	82,000	622,000
Claim rate per 1000 insured........	17.15	33.30	8.44	14.10	4.92	4.90

Showing that in order to keep the rate of assessment down, the membership must grow at the rate of about 25 per cent. per annum. If this was impossible, the rate went up; the members left in increasing numbers, and then the end was near. The rates of assessment above age sixty, which are never printed by any society, were shown to run up to impossible figures.