

a remainder of £3 is left. Finding now the present value of an annuity of £3 per annum, payable during a life aged 29, such was the present value of the Assurance as above on 1st June, 1861.

Again, the same Assurance being valued on 1st June, 1866, the Annual Premium to be paid for it was considered to be that payable at the age 34, which is £25 15s. 0d. Subtracting £19 10s. 0d. from £25 15s. 0d. the remainder left is £6 5s. 0d. The present value of an annuity of £6 5s. 0d. payable during a life aged 34 was therefore the value of the Assurance as above on the 1st June, 1866.

Again, when the same Assurance is to be valued on 1st June, 1871, if then on foot, the Annual Premium to be paid for it will be considered to be that of the age 39, which is £30 1s. 8d. Subtracting £19 10s. 0d. from £30 1s. 8d. the remainder left will be £10 11s. 8d. The present value of an annuity of £10 11s. 8d. payable during a life aged 39 will therefore be the present value of the Assurance as above on 1st June, 1871.

And again, when the same Assurance is to be valued on the 1st June, 1866, if then on foot, the Annual Premium to be paid for it will be considered to be that of the age 44, which is £35. Subtracting £19 10s. 0d. from £35, the remainder left will be £15 10s. 0d. The present value of an annuity of £15 10s. 0d. payable during a life aged 44 will therefore be the present value of the Assurance as above on 1st June, 1876.

And now, passing over twenty-five years during which the value of the Assurance will be continually increasing year by year, in valuing it on the 1st of June, 1901, if still on foot, the Annual Premium to be paid for it will be considered to be that of the age 69, which is £108 18s. 4d. Subtracting £19 10s. 0d. from £108 18s. 4d. the remainder left will be £89 8s. 4d. The premium value of an annuity of £89 8s. 4d., payable during a life aged 69, will therefore be the present value of the Assurance as above on 1st June, 1901.

Now when every Assurance on foot at the time of valuation has been valued according to instances given above, and the values of all of them summed up, the total will be the amount of capital required to be in the possession of the Society, and to be held in reserve to meet its liabilities; and whatever capital in excess of such amount may be found in the possession of the Society will be "Surplus Capital."—*Post Magazine*.

Financial.

TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

There was an average business done this week, and stocks generally close firm and in good demand.

Bank Stock.—Montreal sold during the week from 139 to 140, the market closing with buyers at 139½. Ontario has been freely dealt in at 100 and 100½; closing with sellers at the latter rate. No sellers of Toronto; buyers at high rates. There are buyers of Royal Canadian at 85 for stock all paid. Considerable sales of Commerce occurred at 102 and 102½; there are sellers now at the latter rate. Buyers offer 39 for Gore; very little in market. Merchants' has advanced to 108½, at which rate there are buyers, but no sellers. For Quebec 98 would be paid; sellers ask 100; no sales. Sellers ask 110½ for Molson's, with buyers at 110. Sales of City occurred at 100½, at which rate the stock is still procurable. Buyers offer 109 for Du Peuple; no sellers. Nationale would be taken at 106, and Jacques Cartier at 107; none offering. There are buyers of Union at 103, and sellers at 103½. Nothing to report in other banks.

Debentures.—No Canada bonds of any kind offering. Sales of Dominion stock were made at

105, 105½ and 105¾. Toronto are much enquired for; none in market. A few small lots County have been placed at par.

Sundries.—No transactions in City Gas for some weeks. For a round amount of Canada Permanent Building Society 124 would be paid; last sale at 123½. Western Canada Building Society has advanced 3½ cent. since our last; considerable sales have taken place at 117 to 118. Sales of Freehold Building Society were made at 106½, 107 and 107½; there are some buyers but no sellers at the latter rate. There are buyers of Montreal Telegraph at 134, and sellers at 135.—Canada Landed Credit is asked for at 72; little offering. A few good mortgages were placed at 8½ cent. There is a fair supply of money on good security.

THE LONDON MONEY MARKET, 1868, 1869.

The financial course of the past year, as was the case with that of its predecessor, has precisely realized the anticipations expressed at its commencement. A fair harvest and the avoidance of war were the only conditions requisite to insure a steady continuance of low terms of discount, and an uninterrupted though slow recovery in trade. For the year now commencing the prospect is equally or rather more satisfactory. Every month that places us further from the disastrous recollections of 1866 increases the healthy power of the nation for the development of its natural commercial vigor.

It is true that the recent rise in the bank rate from 2 to 3 per cent., in consequence of the heedless welcome given to foreign and colonial loans, has thrown, for the moment, a damper over Stock Exchange speculation. But this has been salutary. There is a total absence of danger of any persistent run of folly. The public may be tempted by adroit manipulation to go on up to a certain point; but so fresh is their sense of past penalties that the moment the slightest check happens they fall back scared, as if another general convulsion were at hand. In the present instance, the simultaneous occurrence of the contemptible Greek complication has been sufficient to cause a fall in the nominal value of all convertible property equal to that which might ordinarily occur from any severe political or commercial disturbance.

Hence it would seem that, instead of any further immediate increase in the value of money. Several of the foreign and colonial returns of the past year remain to be paid up, but the introduction of new ones being in some degree stopped, the demands thus occasioned can well be met by the surplus income always flowing into the country in the shape of dividends on the securities already existing. Looking at the sums standing in Indian railways, Australian and Canadian Government guarantees, United States bonds and foreign loans generally, these payments are now of extraordinary magnitude, and make a yearly total, in addition to the regular profits of the national trade, such as to necessitate a constant outlet through fresh loans and ventures.

Estimating the consol and railway dividends now falling due, together with the foreign dividends and sinking funds to be remitted hither, it may be calculated that a sum of at least twelve or fifteen million sterling will find its way into the hands of the investing public within the next few weeks, and the portion of this to be received from distant sources will certainly be ample to provide for the outgoings for recent commitments.

Still, so long as the rate for money in the London market is below its normal point of 3½ or 4 per cent., the tendency must be always toward an advance, and consequently every check like that now in operation is certain to be succeeded by a reaction. A momentary renewal of ease will instantly be taken advantage of by new contractors and operators, soon to be checked by a fresh fright, again to be followed by a further series of recoveries and checks until the supply of capital shall

have been reduced so as to cause its employment at home to yield an average return. The tendency to a rapid restoration of our rate of discount from any extreme point, such as two per cent., on the one hand or ten per cent. on the other, is singularly stimulated both by the diffusion of telegraphic communication and the general increase of intercourse among the various financial centres of the world. As regards America, for instance, the system of borrowing money on United States securities in London, Paris, Frankfurt and other European cities, whenever the difference between their rates and those of New York is sufficient to present an inducement, is every day coming into more extended operation, and cannot fail to have an important influence in equalizing the current terms at all the Exchanges. For the next few years, therefore, the prevalence of fair average rates may, in the absence of exceptional influences, be safely relied upon.

Meanwhile, as regards the intrinsic values of fixed properties, there is a silent and inevitable process still going on, which attracts but little attention from year to year, but is more powerful in its effect than any other. The increased production of the precious metals is in undisturbed operation, and although by some circumstances its influence is gradually lessened, there are others by which it is augmented. On the one hand, in proportion as the stock of gold has been added to during the last twenty years, the power of any given amount to produce an effect upon it is diminished, since, supposing the total supply in the world to be only 200,000,000, an addition of 200,000,000 would reduce its value 50 per cent., whereas after this had occurred a further addition of 200,000,000 would cause a reduction of only 25 per cent.; but, on the other hand there is the fact that new sources of supply are being constantly discovered, including, if the accounts from the Far West may to any extent be trusted, deposits of silver of an apparently inexhaustible character, while at the same time the progress of science is constantly simplifying the methods of extraction. The circumstance that the absorption in India, which for a period had some considerable effect in retarding the changes in question, is now less active, is also to be taken into account, as well as the constant economizing of the circulation of the leading commercial countries by the resort to processes which save the passage of coin.

As regards incitements to adventure and trading enterprise, the new year is likely to offer enough for the most ardent minds. The completion of the Pacific Railroad which is to be accomplished by July next, and which, through an extent of over 1,000 miles, will bring new regions into the full tide of civilization, and at the same time, perhaps, revolutionize many of the existing relations of the Eastern and Western hemispheres, cannot fail to present openings such as will be the commencement of changes that must materially influence the destinies of future generations. Perhaps among its minor and transitory consequences will be the furnishing of the materials that during the next few years will have to be cultivated in preparation for the panic to fall due in 1876.—*London Times*.

BANKING BALANCE-SHEETS.

As the half-yearly meetings are now being held, it may be useful to call attention to some points connected with banking balance-sheets, although it appears to be generally understood that the Board of Trade will bring forward a measure, at the earliest convenient opportunity, to enforce uniformity. The form of balance-sheet is therefore of the most importance, and we think shareholders would act wisely in throwing out some suggestions, as to the propriety of separating the drawing accounts from the deposit accounts. They should also inquire what amount of bad debts have been written off during the half-year, and what have been created during the half-year, and