

and Silver (p. 28), comes to the conclusion that the net annual supply of gold for the use of money is twice that of silver—namely, sixty millions of dollars, as compared with thirty millions. Now, if we remember that of the whole population of the world probably two-thirds use silver coin exclusively, and are in the habit of melting it up and burying it in the earth, whereas those who use gold use silver also for subsidiary currency, I cannot see that there is any evidence of gold becoming comparatively deficient. Mr. Horten concludes, too, that the present annual addition of new gold is 1½ per cent. of the total stock of gold money, while that of new silver is only about 1 per cent. of the silver money. So far as such calculations have any weight, they are strongly in favor of a gold standard. I may add that Mr. Hollingberry, after an elaborate inquiry carried out for the information of the Indian Government, comes to the conclusion that the production of gold is much under-estimated; that there has been little falling-off in the aggregate yield, and that there is little prospect of any further falling-off. It should be remembered too, that the produce of the Comstock lode consists of gold to the extent of 45 per cent. in value.

On the other hand, I see no probability that any great nation except the United States will soon want a considerable supply of gold. Russia, Italy, Austria, Turkey and other States with depreciated currencies, are not likely to coin much gold at present. France already has the largest stock of gold ever accumulated in one place, and can hardly want more. Scandinavian kingdoms have already exchanged their small bank reserves of silver for gold, and their gold currency makes no progress. England already has a currency mainly composed of gold coin, and cannot want more than the usual annual addition, which is probably not the half in reality of what it seems to be by the returns. Germany, no doubt, is still absorbing gold, but the quantity absorbed is really much less than what is coined. In looking round in this way it is difficult to see where any very great demand is likely to arise simultaneously with the American demand. No doubt, as I have said, the use of gold money will gradually progress, but a costly change of this kind will take decades or even centuries of years to carry out.

Nor will the United States require any very great quantity of gold when they resume specie payments upon a gold basis. It is quite a mistake to suppose that, because a currency is convertible into gold at will, it is therefore actually converted into gold. In England we have a great quantity of gold coin, because there is an absurd prejudice against the use of one-pound notes, so that sovereigns must be used as change for five-pound notes. In Scotland it is just the reverse, and it is not uncommon for a beautiful gold sovereign to be actually refused, and a one pound note demanded instead. In Sweden and Norway there has long been in use a well-regulated paper currency, and, so far as my own observation goes, there is little prospect of the new gold coin beating out the notes.

So, in the United States the resumption of specie payments does not mean, necessarily, that all the notes shall be replaced by gold coins. Gold is not really requisite except for making international payments, and the stock kept need not be very much larger than will meet any conceivable demand for exportation. Provided that the amount of notes afloat is made to rise or fall by the exact amount of gold added to or drawn from the reserve in the manner of the bank-charter act, and the present German system, it is possible to have a currency conforming exactly to the variations of a gold currency and yet consisting mainly of paper.

The resumption of specie payments seems to me to need no heroic measure whatever. Already the premium of gold is so low that, if the dollar were made coincident with the five-franc piece, the paper dollar would be almost at par. The difference of about two per cent. would disappear of its own accord as trade becomes brisk again. The par having been once established, it would be possible to begin making

specie payments in gold in a partial manner, as is actually done at present by the Bank of France. Payments might at first be limited to small sums, or fenced round with such conditions and precautions as would prevent any sudden run for gold. After the novelty of specie payments was worn off, these precautions might be gradually abandoned, and convertibility would be achieved without any violent change whatever. Nor does there seem to me to be any need to make national bank notes convertible to any amount at the bank issuing them. They might continue to be convertible into Treasury legal-tender notes, which would become convertible into gold at Washington, or such other few spots as might be selected for the deposit of the reserve. As gold is really only needed for international transactions, the reserve should be concentrated, and not dispersed over a great many local and minor banks.

Finally, as regards the future American dollar, I agree nearly, but not entirely, with Professor Francis Bowen. Excepting in a few minor points, I believe his report to be true and wise from beginning to end, and I trust that his recommendations will, for the most part, be adopted. He proposes that the dollar shall contain 22.6 grains of gold, so that the five-dollar piece may be the exact equivalent of the pound sterling. The choice ought, doubtless, to lie between this and the twenty-five franc piece, and those who do not yet quite despair of international currency would prefer the latter. In this case the dollar would contain 22.40 grains of pure gold, and the American five-dollar piece, containing about a grain less gold than the sovereign, would be preserved in this way from being melted wherever it came into competition with the sovereign. It is a law of currency that the lighter coin lives and the heavier one goes to the melting-pot. In this way the American five-dollar piece would probably become the predominant gold coin, until such time as the English people would see the wisdom of reducing their sovereign by two pence, and thus establishing a simple ratio between the Latin, American and English currencies.

But this is a matter only of detail. My principal purpose is accomplished if I have adequately expressed the strength of my conviction that, in trying to establish a bi-metallic money, the American Nation would be setting themselves against irresistible natural tendencies so as to insure defeat. For the sake of making those richer who are rich already, they would be loading themselves with heavy metal, which, if it is to be abundant, had better be left to other uses, or to those eastern nations who are too poor and ignorant to employ gold. It is the general rule in commerce to take care of "number one," but in bi-metallic money the rule is reversed, and "number one" is asked to carry silver coin in order to benefit "number two" and "number three."

THE CANADA LIFE ASSURANCE CO.

ANNUAL MEETING.

The annual meeting of the shareholders of the Canada Life Assurance Company was held on Tuesday last at the Company's office, Hamilton, A. G. Ramsay, Esq., President, in the chair.

Those present were Messrs. D. McInnes, T. Swinyard, John Stuart, R. N. Street, John Riddell, A. Bruce, D. Moore, J. D. Henderson, of Toronto; R. King, of Barrie; J. B. Young, G. A. Young, Adam Brown, W. R. MacDonald, N. Merritt, Dr. Billings, Jas. Osborne, E. R. Martin, Wm. Hendrie, T. C. Kerr, F. W. Gates, A. E. Irving, M.P., A. G. Ramsay, President, R. Hills, Secretary, and the representatives of the city press.

Mr. A. G. Ramsay occupied the chair, and, at a quarter past the hour named for calling the meeting, said that, as there was likely to be a large attendance, business had better be proceeded with. He called upon

Mr. R. Hills, the Secretary, who read the

advertisement announcing the meeting, and the minutes of the previous meeting. It was stated also by the Secretary that a special circular had been sent to each shareholder.

The following report was then read:—

Report by the Board of Directors to the Annual General Meeting of Shareholders, held on the 11th Sept., 1877:

The applications for Assurance during the company's thirtieth year, to 30th April last, were largely in excess of any previous year, having been 1,931 in number, for \$3,389,007.50. Such a result, during a period of continued general business depression, affords another proof of that public confidence and support which the Company's sound financial position, and liberal principles and practices have attracted to it, and which continue to keep the Canada Life in the very foremost position among such institutions in Canada, as is shown by the annexed summary of the Life Assurance business there.

Of the applications for Assurance, 176 for \$291,378, not reaching that standard of eligibility which the best interests of the Company and of its other assurers render it desirable to maintain, were declined. 1,606 policies for \$2,897,921.50, yielding a new premium income of \$74,565.74, were issued during the currency of the year, and the remaining applications were not, for various reasons, completed.

The total risks in force at 30th April were upon 8,484 lives under 9,994 policies for \$16,412,097.66 of assurances and declared bonus additions, two life annuities for \$648 and a combined deferred annuity and assurance policy for \$9.50 and \$45.14.

The successful operations of the Company are well illustrated by the following table:—

Year to	No. of new Policies	Am't of new Assur'cs	Ann'l force at dates giv'n
April, 1868..	447	\$ 567,894	\$ 182,446 \$ 4,755,993
" 1870..	1,062	1,584,456	273,742 6,404,438
" 1872..	1,512	2,114,094	411,165 9,682,746
" 1874..	1,279	1,854,766	514,979 11,954,658
" 1877..	1,606	2,897,921	660,470 16,412,998

The claims by death during the past year were upon 77 lives, under 90 policies for \$140,244.07, while the mortality calculated upon amounted to \$225,124, a result indicating the continued care exercised in the selection of the lives offered for assurance.

The usual Statement of Receipts and Payments, and Abstract of Assets and Liabilities, are herewith submitted. From these it will be observed that the Company's income, during last year, amounted to \$660,470, and that its assets have been increased by the sum of \$331,283, invested in the best class of securities to the judicious selection of which unremitting attention is given.

The interest income of the Company during the year was \$179,997, a sum more than sufficient to meet the year's losses (\$140,244) by deaths.

Reports by a Committee of Directors and by the Auditor, who have each gone over the various securities in detail, and certify their safe custody, are appended.

A dividend was paid on the 1st ult. at 7½ per cent. for the past half year, leaving a balance at the credit of the Proprietors' Account amounting to \$94,593.77.

The liberal profits which the Company's long experience and success have enabled it to give to its policyholders, have admitted of the adoption of the system of "Minimum Premiums," so fully explained in the special circulars as to it, and the large number of applications for assurance which have already been made upon that system has induced the Board to apply its principles to that of assurance by a limited number of annual premiums, whereby policies may be effected with premiums payable for a fixed number of years only, in many cases lower than are charged for the whole of life.

It is the constant study of the Company to adopt whatever improvements or modifications in the terms for Life Assurance which may,