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LLOYD'S BANK REPORT.

An interesting example of the manner in which British banking supremacy has been built up is afforded by Lloyds Bank. On the front page of its recently-issued annual report appears a list of no fewer than 48 banking institutions, whose centralisation at intervals between 1865 and 1914 forms the nucleus and basis of the present great Lloyds Bank. Many of these merged banking companies date back well into the eighteenth century, and one at least, well into the second half of the seventeenth. What long-settled connections of this type in an old, immensely wealthy and financially-conservative country like Great Britain mean, can easily be imagined. The war has furnished a striking vindication of the policy of financial centralisation involved in the merging of these numerous separate institutions, with vastly diversified interests widely scattered all over the country. Such sturdy shouldering of immense responsibilities as the British banks have shown during the last four years would have been frankly impossible, otherwise, and it was a fortunate circumstance for the world at large, and not only for Great Britain, that for generations prior to the war, her banking system had been allowed to develop to the best advantage, unhampered by restrictive and unwise regulations.

The profits of the British banking institutions generally for the year 1917, are reported as reaching a new high record. But, as in the case of the Canadian banks, the percentage of profits to total resources, which has been steadily falling in recent years again shows a marked decline. In other words, while the resources of the banks in both Canada and Great Britain, have been immensely expanded as a result of war activities, their expenses have increased, and they have been called upon to perform many additional services free or for no more than a merely nominal consideration. That tendency is undoubtedly likely to continue in both countries for some years. Lloyds Bank reports for the year 1917 profits of approximately $7,300,000 a large total in itself, but in proportion to the Bank's total assets of $970,000,000, quite a modest amount. The dividend is at what appears to Canadians as the curious rate of 18⅛ per cent.; $2,000,000 is added to Reserve Fund, the handsome sum of $500,000 is set aside for a staff bonus, and the carry forward on profit and loss account increased by over $850,000 to $1,450,000.

The Bank's deposits as at December 31st last reached the immense sum of $870,000,000. On the other hand, the Bank had cash in hand and with the Bank of England, $174,000,000; cash at call and short notice, nearly $36,000,000, and bills of exchange almost $200,000,000. Holdings of British war loans and other British Government securities are over $170,000,000. Security holdings in addition to those are only close to $16,000,000. These facts illustrate graphically the extent of the direct calls upon the British banks in connection with the immense financial load which Great Britain is shouldering.

Lloyds Bank is particularly well-known in Canada as the London agents of the Imperial Bank, while it was one of the first of the British institutions to establish a subsidiary in France, an invasion of the Continental banking field which is now being assiduously followed in various European countries by a number of the leading British Banks.

BANK DEPOSITS OF INFANTS

If an infant, that is, a person under 21 years of age, deposits money in a Canadian chartered bank, can he draw it out himself, and if he does so, does the payment to the infant relieve the bank.

This point was before the High Court of Ontario in the case of Freeman vs The Bank of Montreal, in which it appeared that Freeman, an infant, deposited about $1800 in the Bank of Montreal, which later on he drew out on his check and lent to his father. About four years later the father became insolvent, left the Province, and of course, did not repay to the son the amount that he had borrowed. Then the son, after coming of age, started suit against the Bank of Montreal for the $1800 deposit and interest, relying upon the fact that he was an infant when the money was drawn from the bank.

On this point the Court decided against the infant, holding that the bank was justified in paying the deposit to the infant on his own check, and that such payment released the bank from all liability.

"The contract was one beneficial to the infant," said the Court. "He was the custodian of his own money, and the agreement merely made the bank a temporary custodian of his funds, during his will. The Bank's obligation was to hand it back to the customer or pay it to his order. Nothing in this was detrimental in any way to the interest of the infant. It is therefore submitted that the law is that if an infant draws a check in his own favor, and receives the money, the banker could not be called upon to pay the infant the money a second time. As regards checks in favor of third persons, the relation seems to be based on the principle that an infant may do by an agent, any act that he may legally do himself."

The infant then set up the claim that if he could not compel the bank to repay the $1800 deposit, he could at least compel it to repay to him $1300, relying upon section 95 of the Bank Act of 1906, which provides that a Bank may receive deposits from any person whomsoever whether such person is qualified by law to enter into ordinary contracts or not; and from time to time repay any or all of the principal thereof, "provided that if the person making any such deposit could not under the law of the Province where the deposit is made, deposit and withdraw money in and from the Bank without this section, the total amounts to be received from such person on deposit shall not, at any time, exceed the sum of $500."

Under this section the infant contended that as it was unlawful for the Bank to receive from him a deposit exceeding $500, then the repayment of any

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