

**Decline of London
bank Dividends.**

THE banks in London seem to have reached a period when their high rates of dividends are on the decline. Compared with the dividends paid by our banks, those of some London ones have for many years been very large, ranging from 12 to 18 per cent. The fact is, the London banker whose reputation is established is in one of the best positions in the world for making profits. As the agent of a number of country banks, he usually holds a large aggregate of balances kept by them, on which no interest is paid, and he holds also very large deposits kept always to a high average by customers' balances, and others of a more strictly deposit character. Thus the London & Westminster has about \$550,000,000 of deposits, with a capital of \$13,000,000, its 15 branches in the metropolis all contributing to make up this enormous total. Another bank, the Capital & Counties, has \$300,000,000 of deposits, drawn largely from its country branches. This bank has reduced its dividend from 18 to 16 per cent., and the Westminster, which paid 18 per cent. in 1890, 16 in 1891, 13 in 1892, and 12 in 1893, has come down to 11 per cent. It is manifest that to keep such vast accumulations active requires a steady demand for money on a scale of magnitude difficult to realize. It can be seen that the current rate for money, the bank rate, is affected to a marked extent by the operations of these banks, who are keen competitors for business in the discount market, and for other business calling for large loans, such as only banks having such vast deposits can handle. The record of nearly all the London banks is alike in this respect, their dividend rate has been on the down grade, and, we believe, this tendency has not exhausted itself, as the disasters from ill-advised foreign loans in recent years, and the American panic of last year, have made London bankers more cautious than ever before. This policy has caused the floating of new financial schemes to fall off more than 50 per cent. below those initiated in 1890, with a consequent depreciation in the earnings of the banks.

**Universal Tele-
graph Code.**

A NUMBER of our contemporaries are urging the banks and other financial institutions, to adopt a uniform telegraph code. We are unable to see any advantages in such a policy to offset its drawbacks. The absolute secrecy of a private code is essential to its usefulness. The comparative infrequency of its use is one safeguard of such secrecy. If the same code is used by a large number of persons, the operators who are curious, and ingenious in solving such riddles, would gradually become familiar with a number of combinations of words, the repetition of which in financial messages is hardly avoidable. Indeed, the solution of a cypher code has been accomplished owing to this re-iteration, and secrets of moment betrayed thereby. A wiser plan far is for those using a code to vary it at fixed periods, and so render it as exclusive and private as possible. Why should one bank, broker, or merchant wish to be able to read the private messages of any other? No such desire exists, but it is better to render it wholly impos-

sible for the wrong person to read a cypher message, which can only be done by each one having his own code. It is urged that this plan prevents a bank sending a cypher message to banks not in direct affiliation with it, who are thus compelled to act on an open message, and at times to advance money on that authority. Such a custom is most risky, and it would also be risky to use a code known to every banking house, as it would be a very great temptation and a snare to officials who might use their knowledge to perpetrate serious frauds. Advances to strangers, or irresponsible persons, should never be made on telegrams without some ratification of the contents.

**Departmental
Returns.**

WE refer our readers to a paper read at the National Insurance Convention by Mr. Geo. S. Merrill, commissioner of Massachusetts, on the subject of Insurance office returns to the various States. It has long been a matter of public complaint in the United States that notwithstanding their elaborate system, or rather systems, of investigation, the public are quite incapable of gathering reliable information in regard to the companies, because the figures given in the various official reports vary in most essential features.

The concealment of extravagant expenses by "divers ingenious and conscience-stretching devices and fictions" is a serious accusation to bring against institutions entrusted with conducting so vast and important and almost sacred a trust as dispensing the funds of Life Insurance Companies; but undoubtedly Mr. Merrill knows whereof he speaks, and if, as he says, "the people will correct this extraneousness when its proportions come to be set forth fully and in clear light," the sooner the adoption of uniformity in the official returns, and lucid statements, that can be relied on, as to the cost of procuring new business, are available for the public, the better for them in particular and all honest insurance companies, for as things are at present, the conscience-stretcher and expert figure-manipulator has the unfair advantage.

It is a grave reflection on the Commissioners themselves that no inconsiderable part of unnecessary expense to the companies is forced on them by those officials not abiding by their decision arrived at in 1871, namely, the simplification and unification, both of form and of law, and reciprocal action among the various State officials. When these officials will decide what information will satisfy all their requirements, and have the State laws in conformity and unison with these requirements, then instead of each insurance company being obliged to incur the expense of a dozen or more investigations in a year, one will suffice, and will be more reliable and better understood by the public because not conflicting with other official reports. As matters are at present, it is notorious that the unscrupulous agents make use of the returns made by companies to one State to discredit their statements to another, and so try to reflect on the honesty of companies which have perhaps given correct returns in each instance.