

BRITISH BANKING POLICY

Plans for the amalgamation of various New York banks are now under way and the indications favor important changes in the United States general banking policy. Many factors are likely to lead in the not far distant future to a reconsideration and probably a revision of the terms upon which banking institutions are permitted to open and do business in that country.

Discussing this subject, the *Journal of Commerce*, New York says:—"Among the issues thus likely to present themselves is that of the status of foreign banks or branches of such banks. In this connection the deciding factor will undoubtedly be the question whether the United States is, as so often asserted within the past year or two, a world market for capital or not. Great Britain, which has long held that position in an undisputed way, has a definite policy with respect to foreign banking, which has lately been briefly stated by an informed correspondent of the *Journal of Commerce* as follows:

There are no restrictions to which a foreign institution opening in London is subjected. They have not to keep any reserve, or deposit securities with the Government, and are only subject to the usual income tax on profits. They may conduct any sort of banking business they please. The only regulations they have to comply with are technical, as, under the Joint Stock Companies act, they would have to deposit their articles of association and send a copy of their balance sheet to the Registrar of Joint Stock Companies once a year—but these things are trivial details, the main thing being that, broadly speaking, foreign banks may open branches in London on at least as good terms as are granted to home institutions.

The *Journal of Commerce* continues:—"These, as is well known, are not the terms upon which some of the British colonies have chosen to permit the conduct of banking, but the question that must present itself to Americans with most force is whether the policy of the parent country or that of the colonial dominions is best worthy of consideration.

As to that point, the teaching of experience is the most valuable. Great Britain's policy with respect to encouraging foreign banking within her boundaries had resulted before the war in developing London as the chief market for capital in the world and had thus given Great Britain the use of much cheap capital which was of the utmost value to her. Capital flows where there is the best opportunity of using it and the best prospect of

getting returns. London bankers know this fact well—so well, that they have not only paid enormous rates of interest for "foreign money" during the war but that they had in the past thrown open the British banking field upon equal terms to those who chose to enter it. A similar policy will have to be pursued by all countries which aspire to become independent financial markets. Only those which are either voluntarily dependent upon other nations or which are thus kept in dependence can afford to follow any plan that will handicap the free movement of capital and specie into and out of their territory.

AMERICA'S TIMBER PROBLEM

The amount of timber cut each year from the forests of the United States is about three times the annual growth, it is declared by the National Bank of Commerce in New York in a review of the American lumber industry published in the August number of its magazine, *Commerce Monthly*. Lack of an adequate national forestry policy, together with speculation in privately owned timber lands and the absence of cooperation within the industry itself, have all combined rapidly to reduce the country's timber resources. Provisions for reforestation up to the present have been entirely inadequate and the oncoming growth is ordinarily of inferior species and grade.

The United States is the largest wood-using country in the world. The great majority of dwellings and of farm buildings in that country is made of wood. Of its total domestic consumption, more than half is accounted for by use for construction timber and lumber, and in the form of planing mill products, i. e., sash, doors, flooring, general mill work, etc.

The United States is both an importer and exporter of lumber. More than 80 per cent. of its lumber imports, however, come from Canada, and most of the remainder from Mexico.

SUMMARY OF THE TRADE OF CANADA

	Twelve Months ending June		
	1918	1919	1920
	\$	\$	\$
Imports for Consumption.			
Dutiable goods.	526,013,577	521,304,168	791,027,768
Free goods.	396,169,034	348,109,248	419,176,555
Total imports, mdse.	922,182,611	869,413,416	1,210,204,323
Duty collected.	157,551,555	154,696,691	204,801,896
Exports.			
Canadian.	1,468,212,741	1,201,867,125	1,232,632,009
Foreign.	43,941,534	57,791,852	43,679,443
Total exports mdse.	1,512,154,275	1,259,658,977	1,276,311,452