

forebodings. Call loans in Montreal and Toronto are still on the $5\frac{1}{2}$ p.c. level. It is said that some loans were made last week in the latter city at 6 p.c. But the liquidation that has since ensued will have a tendency to ease the situation. If the curtailment policies of the United States railways cause a depression in industrial circles across the boundary line, the circumstance may have an effect upon the industrial position in this country. A slackening there would lessen the demand upon the banking institutions for credits. For that reason it will be well worth while for us to watch the course of events in the United States.

BRITISH BANKS IN 1909.

The twelve months of 1909, observes The Economist in its valuable and exhaustive annual supplement on the joint stock banks of the United Kingdom were rather a disappointing time for English bankers. In the previous year working conditions had been bad; with the slump in trade and the declining value of money almost all joint stock banks found themselves at the end of the year with lower profits while some of the shareholders found themselves with smaller dividends. It might have been expected that some of the losses of 1908 would have been made good in 1909, but in point of fact the industrial revival came too late to bring much help to the banks and the twelve months average quotations for discounts was almost exactly the same as in the previous year while the average rate allowed on deposits was a few shillings per cent. higher. On the other hand the balance sheets show the same steady, almost unbroken, development to which we have become accustomed in following the recent history of English banking and there are once again increasing deposits, increasing loans and increasing assets. The normal growth of industry and the natural popularity of the cheque system are mainly responsible for this remarkable phenomenon of rising totals, but to some extent it must be ascribed to the increasing process of amalgamation, which not only concentrates gigantic funds in a few hands, but by breaking down the old secretive system of the private bankers, produces in this one point at any rate, a more healthy relation between the banks and the public.

The following summary table is of the banks in the whole of the United Kingdom 5 dollars having been taken as equal to £1 sterling:

	1908.	1909.	Inc. or Dec.
Jt. Stock Capital..\$	399,585,000	393,220,000	-\$ 6,365,000
Capital & Reserves.	650,510,000	656,830,000	+ 6,320,000
Market Value.....	1,208,190,000	1,166,535,000	- 41,655,000
Deposits.....	4,650,000,000	4,750,000,000	+ 100,000,000
Cash and Money at call.....	1,128,350,000	1,161,850,000	+ 33,500,000
Loans & Assurance	2,376,800,000	2,364,150,000	- 12,650,000
Total Assets....	4,578,650,000	4,616,650,000	+ 38,000,000

In the last five years British banks have sacrificed in allowances for the depreciation of gilt edged stocks well over \$5,000,000 of their profits.

ANOTHER BIG CONSOLIDATION.

The Commercial Union to Acquire the Ocean Accident.

Our London correspondent cables that the Commercial Union Assurance Company, Limited, is making arrangements to purchase the Ocean Accident & Guarantee Corporation, Limited. A special general meeting of the Ocean has been called for the 14th inst., at the company's head office, London, to consider and formally ratify the provisional agreement entered into by the directors of the respective companies. The authorized capital of the Ocean is \$5,000,000 of which \$3,107,700 has been subscribed and paid in. According to the London quotation £6 was bid for the £1 shares and £31 for the £5 shares. The Ocean was established in 1871. Its premium income in 1909 reached a total of \$7,380,026 and interest, etc. \$290,381, while its total assets are \$10,517,824. The Commercial Union's premium income for 1909, from fire, life, marine and accident was \$24,330,550, and its interest from investments \$3,131,725. Its assets are over \$04,000,000. The combined premium income (Commercial Union and Ocean) would total \$31,500,000, and combined assets over \$105,000,000.

The Commercial Union already owns and operates the Canada Accident Assurance Company. The Ocean Accident transacts a large business both in the United States and Canada as well as elsewhere.

THE BANK OF NOVA SCOTIA is erecting a handsome stone building in Port Arthur, where it opened a branch in January last, at an estimated cost of \$40,000.

THE MIDLAND RAILWAY COMPANY bond issue of \$1,200,000 has been purchased by the Canadian Pacific at a reported price of about \$900,000. This would be equivalent to 75 p.c., not 85 as stated in an announcement. The railway, recently controlled by the Dominion Atlantic Railway, has passed into the control of the C.P.R. which already controls the Dominion Atlantic.

ASSOCIATED BANKS REPORT.—The report of the New York Associated Banks on Saturday was unfavourable and much below expectations. An actual decrease of \$4,090,600 was recorded in cash and a falling off of \$1,536,600 in loans and \$5,111,200 in deposits, causing a decrease of \$2,821,300 in the actual surplus. In the average statement loans expanded \$7,358,400 and deposits \$2,583,500, while cash decreased \$5,030,200. The average surplus decreased \$5,676,075, bringing it to \$20,559,925.