

THE BANK AMALGAMATION QUESTION is still a live topic, and the views expressed in the last issue of THE CHRONICLE have been republished by several newspapers in various parts of Canada, and seem to be generally approved by prominent bankers, and merchants, as well as by those who have established big enterprises and by men who borrow very large sums of money.

When the circumstances of this Dominion are taken into consideration, the resources of the principal Canadian banks are found to bear very favorable comparison with those of the United States. Take for instance, the note circulation as a criterion of the banking business. We find the amount of the notes in the hands of the public on July 1, in the United States to have been \$9.60 per head, as against \$11.20 the amount per head of the circulation in Canada at the same date.

The aggregate of the loaning resources of the banks in Canada amount to \$712,804,900, and their total assets are \$757,988,500. The banks have the legal power to issue additional notes to the extent of \$20,000,000.

It is not apparent how the present resources of the banks would be enlarged by two or more of them amalgamating, for such a process would add nothing to either the total capital, rest, circulation, or deposits. It is very apparent that the amalgamation, or absorption, by another bank of one of the oldest and strongest banks in the Dominion would not add to the resources available for carrying on the business of the country, while on the other hand it would not have the effect of giving additional facilities to any special class of industry, or the public generally.

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**SPEAKING OF AMALGAMATION.**—The Montreal "Star" remarks:—

"THE CHRONICLE voices the opinion that naturally 'exists in the Merchants Bank among the clerks, 'those higher up, and perhaps one or two directors.'"

Then this critic goes on to say:

"The men who do big things in Canada, swing 'big enterprises, and find it necessary to borrow very 'large sums of money, will not agree with this view. Our Captains of Industry want more big banks."

We are inclined to think that the "Star" critic could get a pointer or two from a bank clerk, to say nothing of those higher up, and we would be glad to see some argument advanced to prove that the amalgamation or absorption by one of the other large banks of the Merchants Bank of Canada would be in the interests of the "Star's" "Captains of Industry," or anyone else.

If any of the large banks consider it necessary to enlarge their resources, they can increase their capital and make considerable profit by selling their shares, and the increased capital will give them power to issue more notes. Any one individual bank, no matter how large its resources, is scarcely likely to advance money beyond a certain limit in

connection with any special enterprise, and it seems to us that a Captain of Industry would secure more money for his enterprise from three or four large banks than from one bank of very exceptionally large resources.

It has been suggested that it is necessary to have another big bank for the purpose of carrying the account of a very large railway enterprise. We believe, however, that the large railway enterprises of the Dominion have already practically decided upon the banks with which they will transact their business, and some of them will probably prefer to have an account with two banks.

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**THE LEGISLATIVE COMMITTEE AND THE EQUITABLE.**—In reference to the investigations to be made by the Committee of the Legislature of New York, Senator Riordan, said, on 15th inst.: "The proper method is by going into the Equitable Society's affairs first. The Equitable is primarily responsible for the existence of this committee. The public are anxious to have the fullest light thrown upon all Equitable matters. Now, we have certain data about the Equitable, both from the Frick and the Henricks reports, which we have not about any other life insurance companies, and we are in a position to act upon the reports as ground work for our investigation. My idea is to get witnesses on the stand who can tell us about transactions in regard to the Equitable and then, after we have exhausted the scope, we shall be in a position to cite other companies and find out if such dealings have transpired with them as we have found with the Equitable."

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**THE WESTMINSTER-ALLIANCE DEAL.**—The members of the Westminster Fire Office met this week in London, to consider the proposed transfer of the business to the Alliance. Sir F. Dixon Hartland, Bart., M.P., who presided, made a lengthy statement in which he pointed out how precarious was the position of the Westminster in view of its being surrounded by large offices of whom he said: "They (the large offices) all had an interest in getting rid of the mutual offices and it was brought to them in no measured terms that, if they chose they could squeeze them out by refusing to take any re-insurances from them and by refusing to give them any re-insurances in return." He thought their profits were likely to fall off under existing conditions.

The amount to be paid by the Alliance to them was £340,000 which, says the chairman, "had been valued in a very liberal way and they had nothing to complain of in that matter. He thought the staff would be well protected under the proposed arrangement. A new company was going to be formed by the Alliance which would bear the old name and be associated with some of the present directors. He favored the proposal of transfer as he believed it was in the interests of the members of the Westminster. On a poll being taken the vote in favour of the transfer to the Alliance was carried by a 1.