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TENDENCIES IN BANKING.

(The Western Miner and Financier, Denver.)

The impressive fact in the interesting comparison of banking conditions in 1892 with those at present, is that banking, like every other industry, is subject to the law of evolution under competition, which diminishes profits while increasing business. It is no different from wheat growing, iron making or retail trading. Profits invite competition, competition lowers prices; reduced prices increase business, increased business permits economies in organization and administration by which one man handles business formerly done by several, so that the reduced rate of profit on increased business, done at less relative expense, still makes adequate return to the labor and capital employed. This is the economic circle in which every form of industry is travelling, to the continual benefit of the consumer and the constant increase of production, without diminution of the producer's compensation. The industry of dealing in money is no exception.

The comparison referred to shows that deposits in fifty-eight national banks have increased 70 per cent. in ten years, while the surplus has increased only 14 per cent., without any increase of capital to absorb profits in dividends. That is, surplus, which is the measure of what may be called excess profits—profits beyond those necessary to retain capital in business—were nearly 13 per cent. in 1892 of deposits, which are the measure of the volume of business, and are now less than 9 per cent. of them. This is a perfectly clear revelation of business expanded by a lower charge for doing business and saved from loss by natural economies in administration, which still keep profits above the point at which capital would desert the industry. Banking has adjusted itself to a lower rate of interest, just as every form of trade and industry has adjusted itself to lower prices for commodities and products.

There are natural economies in every expanding industry, since expense of administration does not increase in proportion. It is the present tendency of trade and industry to add to these the larger economies of concentration and higher organization of both capital and labor, so as to prevent the waste of duplicate effort. This tendency is not yet general in the business of banking, though there are rather significant sporadic signs of it.

WALL STREET FAKIRS.

Beware of them, for the Money Sent to Them is Gone Forever.

(The Western Miner and Financier, Denver.)

The remarks herein set forth are published for the benefit of those readers whose ideas of Wall Street are limited to what they read in the so-called market letters of bucket shops and the advertisements in certain Sunday papers, that show how on one dollar and upwards fortunes can be made in the cauldron of speculation. It certainly will prove a cauldron of brimstone and sulphur for the people who put their trust and dollars in the keeping of the men and concerns that advertise correct methods of speculation, men who, for a slight consideration, will show you how to win wealth, and men who by their charts and systems can beat anything on the list.

The men who are best informed upon probable market movements are the men who are intimately connected with the stock in which the movement is to take place, and they are not going to take into their confidence the greengoods men who advertise themselves as brokers. Moreover, even the men who are behind a market movement are not certain that that movement will start on time and reach the schedule point on time. Nine movements out of ten probably fail. There are times when straight tips are given out in Wall Street, but the Wall Street quacks do not get them. The speculation lights who guarantee to make one's fortune, are, as a rule, as well up on the market movements as they are on the apostolic succession. And in the greater number of instances they make absolutely no attempt to use the money intrusted to their care in the stock market. It would not be so bad if the money were lost in legitimate speculation, but when it merely goes into the pocket of the "trusty" broker there is indeed occasion for lamentation.

Wall Street has its sharks, and it is owing to their methods that so much country money is lost in speculation so-called. There are good men in Wall Street, despite Popocratic tips to the contrary. And if the people who want to dabble in stocks will take the trouble to investigate the character of the stocks in which they wish to speculate, they will receive the same legitimate treatment that they would receive from honest merchants in their own country stores.

Fake brokers tell their customers to send them 3 per cent., margins or 2 per cent. margins and big profits will be returned. The fake broker is generally safe in pocketing the margin, for the chances are fifty to one against success on such a limited outlay. To speculate in stocks one must have big bank accounts, and the best advice to the poor man is to stay away from the Street.