of the Lancashire bank will suffer in their relations with the bank by being subject to obtaining advances to the approval of the London directors, who, they assert, have no knowledge of Lancashire conditions or personal knowledge of the customers. The share holding of the directors and their friends is so large that the opposition to the amalgamation will possibly not be effective, but the claims of the customers of the Lancashire and Yorkshire Bank and traders are being put forward so vigorously that it is probable Parr's will agree to the appointment of a very strong and representative local board of directors. The customers of banks are in a stronger position in opposing an amalgamation than the customers of railways, since they can transfer their business to another bank whereas this is not often possible in the case of railways.

[Since our correspondent write the directors of the Lancashire & Yorkshire Bank have deferred to the protests of customers, cancelling, with the concurrence of Parr's Bank, the provisional agreement between the two banks and the suggested amalgamation will not take place.—Ed.]

**Union Bank of England.**

Before many weeks are over we may expect to hear the announcement of the amalgamation of the Union of London & Smiths Bank—of which Sir Felix Schuster is chairman—and the old-established bank of Barclay & Co. The latter bank has a large connection in the Eastern counties, being itself an amalgamation of many old-established private banks, and having nearly 500 branches. The amalgamation with the Union will make these banks the most powerful in the country. The new title will probably be the Union Bank of England.

**Capitalisation of J. & P. Coats' Reserve.**

Although only the usual quarterly dividend has been paid by J. & P. Coats, Limited, there is a growing belief that an announcement may be expected shortly respecting the capitalization of the reserve fund in the form of a special distribution on the ordinary shares. If there were not adequate grounds for this belief the shares must be regarded as much over-valued for they stand at a price at which they yield little more than Consols. Whether the preferred ordinary shareholders would benefit from this distribution is open to question and raises intricate legal points upon which the directors will doubtless take counsel's opinion.

**New Form of Railway Co-operation.**

The new spirit of co-operation which has been manifest in railway circles for some time past is again exemplified in the temporary exchange of locomotives now taking place between the London & North Western and Great Western Railways. Each company has lent the other, one of its fastest and most powerful engines which is now engaged in hauling some of the fastest expresses on the line of the borrower. The results achieved will, of course, be of interest only to the technical departments of the railway companies themselves, but it indicates a friendly co-operation which may ultimately lead to further steps towards economy. At the present time certain trains run over several companies' lines, but all rolling stock of one company does not pass over the others' system. When it is desired to send rolling stock over another line the requisite notice has to be given, and the rolling stock passed. Generally speaking all rolling stock should be able to pass with safety over other lines, but in practice this is not so. For example, the length of carriages is such that in passing other carriages of great length on a curve, it is possible that the margin would be insufficient to allow for oscillation. The Railway Gazette has an interesting article on this subject this week, urging that there should be a standard measurement with respect to the exterior of all railway carriages, leaving only the interior to be fitted up according to the taste and requirements of the respective companies. It is not difficult to foresee the immense saving which would accrue to the railway companies by the mutual establishment of co-operative workshops for the making of rolling stock. This is one of the great arguments of those in favour of railway nationalization and the adoption of it by the companies would immediately cut the ground from under the feet of railway nationalists.

**Disappearance of the Timber Boom.**

A few months ago we heard a great deal about a great boom in timber, but after an unsuccessful attempt to float two companies, the boom appears to have suddenly collapsed, as we anticipated at the time, would be the case. I had occasion recently to make inquiries as to the conditions ruling in the timber trade, and I was informed that the position is far from satisfactory. It is true that prices are not so bad as they were earlier in the year and much of the rate-cutting has been dropped. On the other hand, the building trade is in such a stagnant condition, owing to the over-building of the country, that it really requires a further six months' to absorb the surplus at present existing in the timber market.

**Midland Insurance Company.**

This company is carrying out a big and drastic scheme of reorganization and expansion. The capital is to be increased, the title changed, and the head offices removed from Birmingham to London. The company proposes to make a big bid for textile trade business, and contracts have been secured which will provide for a considerable immediate increase in the revenue of the company. New directors will join the board, and certain of the original directors are retiring and becoming members of local boards which are to be established.

**Northern Equitable Insurance Company.**

Although only established three years ago this company appears already to have attracted considerable business and the annual report just issued shows a net premium income of £75,823. The balance at credit of the revenue account is £25,422. The directors are acting wisely in not paying any dividend, but are writing off the whole of the preliminary expenses, the whole of the organization and development expenses, and 10 per cent. of the furniture account, which will absorb a sum of £3,873.

LONDONER.

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