

mental stores. True enough there is a good deal of the nature of a lottery in this, but we suppose most people would prefer to take their chances.

The case against trading stamps need scarcely be repeated here. There can be no doubt that the loss through their common use has extended both to the merchants and to their customers of the poorer class. It is perhaps not going too far to say that many a small struggling retailer has owed his failure primarily to the fact that competition has driven him to allow a large percentage of his legitimate profits to fall into the hands of the stamp company.

In many cases, too, the less prosperous classes, mechanics and so forth, or rather their wives, for it is the weaker sex probably who have been most bitten by the delusion, have been induced to buy goods beyond their means, or at any rate goods by no means necessary, merely through this insistent evil. That trading stamps should rightly come under the category of lotteries, other forms of which are forbidden in this country, needs little argument. People are induced to pay in good money on the chance of getting a prize.

Another hardship worked by the system of trading stamps was on the merchants who were not favored by the companies with the permission to buy stamps. In this manner they have been handicapped owing to their unequal footing compared with neighboring merchants, and as the latter also lose money by that very favor, the whole retail trade in some sections is thrown into a disorganized condition.

The fact that the Government has been waited on from time to time by large and influential deputations of business men, composed both of those who have and those who have not made use of trading stamps shows that the evil is one that has been in existence more than long enough. The bill which has now passed its second reading would appear to meet the case admirably.

#### NEW YORK BANKERS' ASSOCIATION.

The twelfth annual convention of the New York State Bankers' Association, held last week, was of interest to the banking and business worlds of other sections on account of the way several topics of absorbing modern interest were handled. One thing we are glad to note, seeing that sooner or later this country is affected by conditions, good or the reverse, reigning across the border, and that is that the general tenor of opinions expressed by the convening bankers was that the state of trade and business in the United States was quite satisfactory and that the general prosperity bids fair to be gradually augmented rather than otherwise so far as could be seen into the future. Mr. Charles H. Sabin, the president of the association, expressed the opinion that the position of the banks had been greatly improved by the general discontinuance of the practice of paying interest on commercial accounts. Parenthetically here we may perhaps be allowed to ask the question: *has this practice been discontinued in New York City?* The statement may be and no doubt is true of many of the banks in the State, but we are under the impression that in New York City the payment of interest on commercial deposits is by no means uncommon even now. Mr. Sabin's own opinion was that the custom of paying such interest had been brought about by the desire of bankers to keep on an equally favorable position with the trust companies and he displayed the olive branch to those institutions (if such it can be called when there has been but little open hostility) by inviting them to become members of the Association. We need not remind our readers that trust companies in the States occupy a somewhat different field from that filled by them in this country.

A very interesting address was that of Mr. J. M. Beck, formerly Assistant Attorney-General of the United States,

on "Moneyphobia." Briefly, he took for his text the present disposition to look questioningly into the code of morals which prevails in commercial and financial circles. He believes that the several short-comings which have been discovered in recent years in this respect are not due so much to a growing laxity of morals, as to what may be styled the intoxication which has come about through the unprecedented growth of prosperity and the consequent enormous aggregations of working capital. His description of the large modern corporation, and his analysis of the *raison d'être* for some of its evil concomitants, will strike the reader as being rather neat: "That artificial creation of the law—the corporation—with the legal fiction that it is a moral personality, has been a Pandora box, from which infinite good and evil have proceeded. A corporation with many thousand stockholders does an act which benefits itself while injuring the public, but the sense of individual responsibility of each stockholder for the wrong done becomes so attenuated as to lose any appreciable existence, while its officers, who in whole or in part are directly responsible, are too apt to feel that as trustees for the stockholders they must subordinate their personal views of what is right or wrong to the welfare of the corporation." No doubt, as he adds, the passing difficulty of adapting this mighty instrumentality of civilization to the moral needs of the age must be apparent. The solution of this problem surpasses all others in importance. Its just solution will require dispassionate consideration, not intemperate agitation.

#### ENGLAND'S NATIONAL FINANCE.

Mr. Edgar Speyer, the well-known banker, recently gave an address to the Institute of Bankers in London, England, on the financial conditions in that country, and in which some suggestive views were enunciated. The meaning of the unsatisfactory prospects in Great Britain, and the main cause for the growing excess of imports over exports he attributes to nothing more than national extravagance,—governmental, municipal and individual. This is worth noting because, for one thing, it bears out the contentions of Lord Avebury, to which, in connection with municipal matters, we referred in a recent issue.

In the past 10 years the country has expended a sum of £1,440,833,126, in contrast with £902,209,158 in the previous 10 years, a difference of no less than £538,000,000, or nearly 60 per cent. These figures are more eloquent than any comment.

Expenditure such as this was bound to seriously affect the country's capital fund and savings; but this is not all. In the past ten years an additional extraordinary expenditure of about £45,000,000 has, on balance, been charged to capital, chiefly for unproductive works, whereas in the previous ten years all expenditure other than about £3,000,000 has been charged to revenue. The national expenditure has in the past ten years exceeded that of the previous decade by about £581,000,000. In the decade ended with March, 1886, the net expenditure for purposes not reproductive was £728,000,000. In the ten years ended 1896 it was only £754,000,000. In the past ten years it was no less than £1,291,000,000. We must, of course, remember that a good part of this huge expenditure has been caused by the war. But even if we deduct war expenditure, which amounts to about £220,000,000, excluding interest on debt, the growth in the normal expenditure for the past ten years will be still over £300,000,000, or about 45 per cent. higher than in the previous ten years.

These enormous outlays, whether justified or not, have very seriously encroached upon the income which Great Britain would have received had these moneys been invested in reproductive works.

At 5 per cent. interest the annual loss at simple interest would be £26,000,000 per annum, and were allowance made for a normal growth in expenses, arising from increased population and additional expenditure upon education, the net loss of income to the nation from the excessive growth of the national expenditure is about £24,000,000 per annum.

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