life companies under one form or another, and all contained restrictions upon the free transaction of the business. Had these bills been enacted into laws, the life insurance companies would have been practically legislated out of existence, for they could not have supported the additional burdens, estimated at $15,000,000 annually, for the three giant companies that would have been imposed upon them. For the protection of their policyholders and the trust funds confided to them, the managers of companies were forced to employ attorneys at the various State capitols to appear before the committees having the bills in charge and present arguments to show that they were calculated to work injury to hundreds of thousands of persons who were carrying insurance upon their lives. This service was costly, for lawyers expect liberal payment for their services, but the company managers felt that it was their duty to protect the interests in their charge, and that they were justified in resisting, by every legitimate means, the proposed raids upon them, and they had to meet it. They have testified to the facts before the legislative investigating committee, and the sensational papers have accused them of "bribery and corruption," but have not said anything in condemnation of those legislators who planned the attacks upon them. Thus the victims of legislative corruption are made to suffer for defending their policy-holders from strikers and blackmailers. In the sworn testimony before the committee, Presidents McCall and McCurdy have most positively denied all knowledge of any attempt on the part of their attorneys or others to bribe any legislator. While over seven hundred bills have been introduced, as stated, antagonistic to life insurance interests, the number that has been presented at the instance of the companies asking for relief from existing oppressive measures, can be counted on one's fingers. In other words, the attitude of the companies towards legislative matters has been purely defensive, and not aggressive.

A State Governor on A Valued Policy Bill.

In a message vetoing a valued policy bill the Governor of Illinois is quoted by the Insurance Superintendent of Wisconsin as saying:

"Insurance is an indemnity, not a speculation. It is intended to protect a man against loss, not to give him something for nothing. Its object is to make a man whole, so that he shall be no worse off after a fire than before. The principle involved in the valued policy bill would enable a man in many cases to be twice as well off after a fire as he was before. There would be a standing bribe, a perpetual inducement to allow his property to burn down—I will not say have it burn down—and, when it is remembered that a fire in one building always endangers and frequently destroys property near by, which often is not insured, it would be bad policy for the State to permit a condition of affairs to exist, which, to say the least, tended to increase fires."

THE BANKS OF THE UNITED KINGDOM.

STATEMENTS FOR YEAR TO 30TH JUNE, 1905.

During the year 1904-5, ended 30th June last, there were a number of changes in the banks of the United Kingdom owing to the absorption of private banks and of smaller institutions by the larger ones. This movement, which has been going on for many years, seems likely to eliminate private banks altogether. From there being several hundred in England, there are now only 12 of any standing, and several of these are likely to be taken over at an early date.

In the very constitution of a private bank there is an element which develops a high rate of mortality. The founder of a private bank was, necessarily, a man of enterprise, of financial experience, of capital, of high local crdit, of wide business connections, of personal popularity. His neighbours usually had made him their banker, to some extent, before he opened an office for the business.

In many private banks the proprietor in early years combined all the usual offices of a staff in his own person. He served at the counter, kept the books, negotiated all loans, wrote all letters, opened and closed the office with his own hands. A certain degree of dignity became associated with even the merely mechanical work of a bank owing to its being done by the banker himself, who was usually a person of social prominence. Business was very economically and safely conducted under such conditions, as the banker knew all about each of his customers, whose ideas of borrowing, crediting and discounting were so conservative as to entail small risk.

When business grew and wealth increased, the original banker had to entrust some of the duties to a manager and subordinates who were still under his direct supervision. In some cases the son who succeeded to the business inherited the founder's banking skill, but, in most cases, a new system came in with a new generation. The owner looked on the bank only as a source of income; he took no other personal interest in its affairs, and his manager being under pressure to make profits as large as possible, spread out in a way that led to embarrassment from lack of capital. This situation brought insolvency, or conversion of the private bank into a joint stock company, or, amalgamation.

When the old-time bankers who had a natural gift, a "calling" for the business, disappeared, there was a demand for a class of trained officials to serve as managers, who usually went through a course of service from junior upwards. The law of "natural selection" came into force amongst the officials, those who had a natural gift for the business which had been developed under years of training and study being in demand as managers. The