

The Lessons of a Recent Fire. The smoke from one of those fires which usually make the dying year a season of anxiety for insurance men is still hanging over the heart of the city of Montreal. Yet, save for the serious loss entailed upon the underwriters of the property destroyed, the scenes at the fire in question were needed object lessons to many of our citizens. Those who recall the singular reluctance of the civic authorities to the underground burial of the disgraceful and dangerous network of wires now almost preventing the approach of firemen to such buildings as those destroyed on Tuesday night will now have something to say when next the suggestion of leveling these menacing poles and wires is seriously made by the interested companies. Another marked feature of this, as of many a previous fire, was the apparent inability of the fire brigade with all their modern appliances to extinguish the flames until the buildings were virtually demolished. Of course, those living in the near neighbourhood of such a fierce blaze may comfort themselves with the conviction that our fire-fighting force is effective enough if it succeeds in saving property adjoining a burning building. But it is certainly a cause for comment among underwriters that a serious fire in the centre of the city of Montreal is seldom got "under control" until there is nothing left to burn.

There is no reason to question the courage and conduct of our firemen. They are a truly admirable body of men. But if a reasonable reluctance to attack a building surrounded with death-dealing wires has aught to do with the failure to achieve success in extinguishing such a fire as that of Tuesday night, the removal of the poles and the burial of electric wires must be demanded by interested citizens.

Bank Books in Court. Whatever may be the trouble and inconvenience occasioned to bankers when a judge's order requires the production of books and papers belonging to the bank, the unanimous decision of the Ontario Court of Appeal is likely to remove any misapprehension as to the meaning of a subpoena served upon a banker requiring his presence in court as a witness in a law suit, and incidentally the production of the bank books.

The four judges composing the Ontario Court of Appeal have expressed the opinion that a bank is in the same position as a private person when subpoenaed. The reluctance of bank managers to subject their ledgers to the scrutiny of lawyers and witnesses can be easily understood by those who have noticed the commendable caution displayed by bankers when questioned about the business affairs of their clients, and the action of this branch manager at Ottawa was evidently dictated by the desire to loyally protect the accounts of customers from inspection even by the judges of the land.

We print elsewhere the interesting legal decision in this matter of producing bank books in Court.

Bank Consolidations. In recent numbers of THE CHRONICLE attention has been called to the frequent mention made in the annual addresses of bank managers, and in the speeches of prominent members of the Canadian Bankers' Association at their yearly gatherings, to the growth of competition. At no period in the history of our chartered banks has this been so marked as during the recent development of the mining resources of the Kootenay and the Klondyke, and now, the Spanish West Indies seeming to offer a new field for banking enterprise, we have two Halifax banks signifying their intention of occupying Havana. The energy and enterprise of the bankers of the Dominion is most commendable. But in the very efforts made by them to secure business and earn dividends, and in the marked growth in the competition they so frequently deplore, will be ultimately found the strongest arguments for that fusion of the interests of several of our chartered banks which many shareholders in these institutions are now advocating. The *London Shareholder*, a weekly review of the world's financial press, in its issue of the 6th inst., thus pithily presents consolidation as the "only largely effectual method" of reducing the risks incidental to excessive competition in banking:—

"The tendency towards the consolidation of banks on this side of the Atlantic, of which the London, City, and Midland, is the most recent outcome, is equally noticeable in the United States of America, and has lately formed the subject of an important paper by Professor Albert S. Bolles, of Philadelphia. In tracing the causes underlying the movement, he points out that one of the distinguishing features of the time is the unceasing effort to cheapen production—the expansion of the employment of machinery, the simplifying of processes so that less skillful labour can be used, the reduction in the cost of transportation and the invention and utilisation of economising expedients in every business—all are directed to the single end of diminishing the cost of products. Strenuous competition has decreased profits in all enterprises, and the returns on banking capital are diminishing, in common with those on all other forms of capital; as a consequence banking interests are desirous of finding a way to increase their returns, or at least to arrest a further decline. As probably less economy can be effected in bank expenditures than in the cost of most processes of production, the only largely effectual method in sight lies in consolidation, *thus dispensing with officials and expensive offices.* Rash lending and other grave risks by weak banks, for the sake of increasing and preserving their profits, are to be feared far more than such action by strong banks, which have no motive for doing these things. Every weak bank is a menace to the strongest; the latter therefore have interest in preserving all that are fit to live, and in putting an end, in an easy way, to all whose days of usefulness are over."