

More than one instance has come to light recently of losses sustained through the improper use of these books of blanks. Two in particular attracted attention. In the first the man who had been intrusted with a book went wrong and issued a number of them without making returns to the progressive bank that had given them to him. According to the newspaper accounts the bank lost something between \$800 and \$1,000—to meet which loss would take a good many small commissions of from three to fifteen cents. In the second instance a clerk employed by the druggist who had a book of blanks from an express company absconded, taking the book with him. As he proceeded from place to place his trail was marked by the orders he issued. He took good care to fill each one in for \$50, the maximum figure for which it could be drawn. He did not even have to forge any signature; all that was required was to sign his own name in company with the lithographed signature of the company's executive officer. In effect almost he had an open letter of credit from the express company for \$1,000. In this case it is said that the druggist was the loser.

Quite probably, if a few more instances of the kind occur, the practice will either be abandoned altogether or will be surrounded with safeguards forming better protection against robbery.



CENTRALIZED BANKING.

The total resources of the banking institutions of the world are estimated at about \$40,000,000,000. In passing, it may be noted that this banking power is probably three times as large as the world's existing amount of money, both metal and paper. When, along with this total are considered various other phases of the modern system of credits, it becomes evident that a changing gold supply can of itself be no complete arbiter of prices. And in this connection it is to be remembered that in countries where financial activity is greatest the proportion of money to banking power is much less than one-third. The United States, for instance, had a total money stock of \$3,262,500,616 at May 1, but its banking power—as estimated by the comptroller of the currency—is over five times this amount.

Of the world's total banking power, W. R. Lawson estimates that the United Kingdom possesses 13.6 p.c., the United States having about 43 p.c. Of the \$5,250,000,000 belonging to the United Kingdom, practically \$3,500,000,000 is credited to the banks of London, twenty of these accounting for \$2,830,000,000. As to the benefits of this London concentration, Mr. Lawson is somewhat dubious.

"Whether," he says, "the millions of money being drained annually from the provinces to London are likely to be better employed there than they would have been at home is a novel question—so novel, indeed, that I believe it is raised here for the first time. The absorption of provincial banks by their London competitors is lauded in banking circles as a sign of progress. Possibly it may be so—for London, but hardly for the provinces. It not only drains away the savings and the surplus capital of provincial towns, but it renders these towns permanently dependent on London for financial accommodation. Often they may not be able to re-borrow their own money unless at high rates."

But whatever the objections, from local view points, to this evolution of the United Kingdom's banking system, they are unlikely to avail. The advantages of such concentration in the carrying out of financial operations on a large scale are more than weighty enough to counterbalance them.

In the United States, too, the growth of banking concentration is a notable feature of recent years. Ten years ago there were only two banks in New York, with so large a capital as \$5,000,000. To-day there are two New York banks with a capital of \$25,000,000 each, and \$10,000,000 is considered scarce worthy of remark. Bank absorption has accompanied—and in part has caused—this tendency to greatly increased size. Of the present banking power of the United States—estimated by the comptroller of the currency at \$16,462,000,000—over one-fifth belongs to Greater New York. Of the \$14,850,000,000 comprising the resources of the national banks, state banks and trust companies of the United States, \$3,163,000,000 is held in Greater New York—a ratio to the whole of 21.3 p.c. And the proportion is increasing steadily, though New York can never hold the same relative position in a country of the extent of the United States, as does London in its "right, tight" island territory. Nor has New York yet taken London's world-position. The banking power of London, as already mentioned, is now \$3,500,000,000—or over 9 p.c. of the total of the world. That of New York is \$3,163,912,000, which is something over 8 p.c. of the world's amount.

What are considered by other cities throughout the United States as the evils of banking concentration by New York institutions, are in no event likely to obtain so seriously with regard to any Canadian financial centre. The banks whose head offices are in Toronto or Montreal are so in touch with the needs of every city, town, and village almost, throughout the Dominion that there is what may be termed a fluidity of resources altogether wanting in the United States with its non-branch banking methods.