

large London banks, the chairman dwelt upon these and similar matters at some length, and competition is evidently being made the subject for profound thought among the general managers of British financial institutions. It is not surprising that this should be so, with the growing disposition of a large majority of people to deposit their money with banks rather than to invest same in bonds or industrial enterprise. Frequent references to the excessive ever-growing banking competition have been made by our own bank presidents and managers for several years past at annual meetings, and it would seem to be more than likely that, if Canadian banks are to continue the payment of the dividends now declared with such remarkable regularity, some plan of amalgamation or absorption will have to be resorted to as a means of reducing the existing competition and of materially lessening the expenses of conducting business. Numerous instances can be furnished by our bankers of the good certain to result from the welding together of several of the chartered banks of the Dominion. The closing of rival branches in cities and towns, the trans-action of a large volume of business by *one* board of directors and one general manager instead of the present division of the same business between five or six banks, each fully equipped with directors, managers and branches—these are only some of the immediate advantages to be gained by adopting the "process of absorbing smaller banks," now found to be necessary in England.

The supposed unwillingness of our bank presidents and directors to part with their present positions of trust and honour would soon disappear when they were made to realize by a carefully prepared prospectus what the amalgamation or absorption of several of the smaller Canadian banks would produce. It requires no knowledge of the mechanism of management, no insight into the routine of the work of our banks, to perceive how advantageous to the absorbing banks the disappearance of their smaller rivals (upon satisfactory terms) would prove to be, and it is somewhat surprising that this partial solution of the growing difficulty in checking dangerous banking competition has not been suggested to the shareholders of interested banks by those who annually address them.

GERMANY'S DESIGN ON THE PHILIPPINES.

There is reason to believe that the ill-concealed desire of the German Emperor to meddle with whatever arrangements the United States may make as to the final disposition of the Philippines Islands, so far as the republic is concerned, is in harmony with the secret policy of Russia and, through Russia, of France. A glance at the salient facts of the situation will show why Russia, Germany and France should exhibit so much concern about the future of the Philippines.

At present, Germany's only possessions in the neighborhood of these islands are a small strip of territory on the northwest coast of New Guinea, and a few adjoining islands now known as the Bismarck group,

but formerly called the New Britain Archipelago—possessions of no present and but little prospective value to the Germans. The remainder of Malaysia belongs to the Dutch, with the exception of one narrow strip on the northwest coast of Borneo, and another on the southeast side of New Guinea. The Dutch trade with these islands is important enough to excite the envy of Germany on commercial grounds alone. The Portuguese were the first Europeans to visit these distant regions. In 1587 that wonderfully intrepid navigator, Sir Francis Drake, captured one of their galleons, homeward bound, and within a few day's sail of port, and took it into Plymouth. The prize proved to be a very valuable one; and the papers found on the Portuguese ship disclosed to the London merchants, for the first time, the enormous profits which this trade yielded. To obtain a portion of it, the English East India Company was formed. It received its charter from Queen Elizabeth on December 31, 1600. Two years later the Dutch East India Company was established; and it manifested so much greater enterprise than its English rival that its power among the "Spice Islands" was soon predominant. The profitable trade thus acquired poured immense wealth into Holland, which built up a naval power surpassing that of England. So successful were the Dutch in their encounters with Charles II. that their men-of-war carried brooms at their mastheads to indicate that they had swept the English Channel of all their enemies.

The combined area of the Dutch possessions in the East Indies, which the government took over from the company in 1798, is estimated at 736,000 square miles, and the population is placed at 34,000,000, of whom only 40,000 are Dutch. The executive authority is in the hands of a Governor-General, who is assisted by a council of five members. This council is partly legislative and partly advisory in its character. Next, in order of importance, come the Residents, each of whom has charge of a province, and is assisted by a number of Assistant-Residents and other officials. The European inhabitants who assimilated with them are under laws which are almost identical with those of Holland, administered by Dutch judges; while the natives enjoy their own customs and institutions, some of them occupying judicial positions. Java is but a small portion of the Dutch East Indies, so far as area is concerned, but it is the most important in other respects, the fertility of its soil being marvelous. Its principal products are sugar, coffee, indigo, cotton, rice, tobacco and tea, together with a variety of tropical fruits. Next in commercial importance come Sumatra and the Moluccas or Spice Islands. During the year 1895 the staple articles produced in the Dutch East Indies were:—sugar, 550,508 tons; tin, 16,600 tons; coal, 28,100 tons; coffee, 114,223,277 pounds; tobacco, 61,342,809 pounds; and cinchona, 8,601,674 pounds. The total value of exports that year was \$90,035,000, and that of imports was \$64,612,000.

That these Dutch East Indies may form the subject