

press companies never could and never can offer facilities equal to what the banks can give.

But, until a few years ago, bankers affected to make light of the small remittance business. They were very glad to sell drafts for three dollars, five, or ten, but they insisted on charging their minimum of fifteen cents on each item. Similarly they gladly cashed small cheques drawn on other places, or received them on deposit, charging the same minimum commission. It was not until they noticed in the deposits of their customers ever-increasing numbers of express money orders that they decided to inaugurate the bankers' money order system, and started to sell small drafts at the three, five, and ten cent rates. It is questionable, however, if the business was pushed as it might have been. It is certain that some of the banks were lukewarm. Less than a year ago the writer had occasion to ask for a couple of small drafts at a leading office of an important bank. The Bankers' Association cards announcing the rates at which "bank money orders" would be sold were displayed at the teller's wickets. But when the requisition for the money orders was handed in the clerk hummed and hawed. Asked if the bank did not make a regular business of issuing the orders, he replied: "Oh, if you insist upon it we will give you them, but we much prefer to issue the ordinary drafts." For the ordinary drafts the bank charged, of course, its minimum of fifteen cents. Perhaps others among the important banks handled the matter with about the same measure of enthusiasm. If so, it was to be expected that the remittance business of the Post-office and of the express companies would show rapid increases. Evidently the bankers have been stirred to more energetic action. Their course in reducing the commission for cashing cheques drawn on other points to the same prices as they charge for issuing drafts makes their position sounder and more logical. It would be difficult to convince a bank customer in Toronto, for instance, that it was quite logical for him to pay fifteen cents' commission when depositing a cheque for \$5 drawn on Montreal, while he only had to pay three cents for a \$5 money order drawn on any distant, out-of-the-way Canadian town.

There are two classes of people who together probably constitute the bulk of the Post-office and express office business. One is composed of what are called occasional customers, people who have no bank accounts, foreign laborers, and the like; the second is of business houses in the cities and towns, a great many of which go to the express office and buy twenty, fifty, and sometimes more orders at one time. The former of these classes can only be won by the banks, if they can be won at all, gradually and slowly. Many of them, in their ignorance, are afraid of the great banking offices with their bewildering appointments. They have got to learn that they can go into a bank and receive courteous and helpful treatment at all times; if they don't understand how to make out slips, etc., that the clerks will make the slips out for them; that they will not be obliged to wait an unnecessarily long time while their drafts are being signed by some higher official who is "busy."

One of the important features about the success of the express order and Post-office order business is the fact that one clerk, the one to whom the money is paid, transacts the whole business. There is no delay through getting the counter signature cus-

tomary with the banks. With regard to the other class of remitters, the business men, the reduction in the rates for cashing cheques on outside points should bring them to the banks almost in a body. Everybody knows that business men prefer to pay their accounts and bills by issuing their own cheques. No better receipt can be had than a creditor's endorsement on a paid cheque. Now that there has been prepared a regular schedule of rates at which small cheques will be cashed at every town in Canada it is to be expected that the great majority of those who have bank accounts will settle their small accounts due in other towns by sending cheques instead of by buying orders. The country's cheque circulation should increase. If the banks get less commission on each cheque there will be a great many more cheques yielding commission at the lower rate. An account at a bank will have more value. No doubt the banks will continue, as they have been doing, to appraise each account they have in their ledgers; and any customer who uses his privilege of drawing cheques in such a manner as to entail special expense on the bank in the way of labor and stationery will be obliged to recompense it either by maintaining a suitable free balance or by paying a straight commission to cover. In the United States, where the best practice prevails, the national banks do not charge their regular customers any commissions at all on outside cheques; occasional customers only are charged, and they make it up by not allowing any interest on deposits of any kind.

THE ENGLISH JOINT STOCK SYSTEM.

The Canadian system of registration for joint stock companies being based in several particulars upon that employed in Great Britain, it is of interest to look briefly into the working of the latter and to see how it meets, or fails to meet, the requirements. Recently the British Board of Trade created a new office called the New Companies Department, and the comptroller, Mr. G. Stapylton Barnes, who is at the head of this department, issued his first report last week. It shows in a very pointed manner how the joint stock company system has been abused. The proportion of companies not issuing a prospectus is constantly increasing, and, indeed, has done so to a very marked extent since the passage of the Act in 1901 which made it compulsory for promoters and directors issuing a prospectus to disclose sundry material particulars concerning the promotion. In 1901, the proportion of companies registered which issued no prospectus was 86 per cent. In 1902 this proportion rose to 89 per cent., while last year it was over 91 per cent., the capital of the non-prospectus companies representing £69,280,000 out of a total of £83,914,688. It may be explained that in ordinary usage the difference between a prospectus company and a non-prospectus company is the dividing line between a private and a public company. In practice, however, we believe, it is found that this is only a very rough-and-ready classification, for even though a company makes no appeal to the public for subscriptions, it can hardly be considered of a "private" character if subsequently its shares are introduced on the Stock Exchange and a market created for its shares there.

There can be little doubt that this rise of the prospectusless company is due to the desire of Eng-

lish promoters, country, to evade the safeguards of the interests of note that it is Barnes's report has been special appeared to the The first is the second, the reg companies carrying English investo provisions of the tration of mortg gages, and not 1, 1900. The enough to prevent any member m idea of the Bo shall consider can best be fos means by which effectively repr

We notice British Board without interest or less similar appointment o operations of panies) which industrial class the future. T the Companies imposed on li panies register Societies Acts, investigation i companies wit but with very "bonds" paya years, and pro in question to large sum, in contributed, o that if the pa shall be forfe are carried o having no mo of financial that the Gov protect them.

MAYOR

It is a su of Mr. Urqu tant office as be led into th does not unc to the high i signify this t are not high than those p Toronto's cl they are mat But this ally promise level—by tw