

has an offset as the industrial enterprises of the States have declared less dividends by \$2,000,000 than in 1901. The New York "Commercial Bulletin" when stating the extent of this decrease says:

"This is due in great measure to the disappearance of the copper companies from the list, but the reports of several industrial combinations this year have been disappointed, the promised profits have not been realized or the original level of profits has not been maintained by companies that are generally very much overcapitalized, and which have had no such success in controlling competition and maintaining prices as it was expected they would have."

Without straining the above statistical indications they may be regarded as signs worth attention. We cannot but express the highest gratification at finding the record of bank clearings in Canada as so much more favourable than those of the United States. Up to the end of May last the Canadian clearings were 25.4 per cent. larger than in 1901, while those of the States were 19.0 per cent. less than in same period last year.

JAPANESE BANKERS VISIT MONTREAL.

This city is about being visited by two Japanese who are associated with and come here as representatives of the Bank of Japan, Tokio, their names being Mr. Sadayuki Ikuta and Mr. Nakaji Kajiware, L.L.M. Their visit evidences the desire of our Japanese allies to study the banking system of Canada. When Mr. R. Wilson-Smith was Mayor of this city he had the pleasure of entertaining Japanese delegates who came to study our municipal system, into which they made thorough enquiries. The Japanese now in Montreal have already passed some time in the United States endeavouring to acquire a knowledge of American banking. One of them served for some months in a New York bank to acquire a practical knowledge of the methods of conducting banking business in that city. Yesterday they visited the Montreal Clearing House and sat with the manager, Mr. Knight, who explained to them the system of daily settlements of balances between banks. In a few days they will commence an exhaustive enquiry into Canadian banking, and, from their remarkable talent as questioners, we have no doubt they will acquire a complete insight into the principles, the laws, the methods, the results and all the features of our banking system. They will learn that our banks are operated and chartered under an Act of Parliament which gives them certain privileges and imposes certain restrictions. No new bank can be founded with a less capital than \$500,000. It is allowed to circulate notes to the extent of its paid-up capital, and those notes are a first charge on all its assets, besides which the banks have

to deposit with the Government 5 per cent. of their circulation as a further protection to note-holders. They may receive deposits to any extent, and these funds enable them to extend the accommodation and loans and discounts to customers. Our banks, therefore, act as the distributors of the surplus, the stored capital of the people; they act like a system of reservoirs in a water supply, by collecting what would otherwise have little or no utility, and economically distributing it according to the needs of the community. The banks of Canada have branches spread all over the country which receive local deposits and make local loans, and generally afford banking facilities to the people of the city, town or district where such banks are established. Each branch bank has the strength and the resources at command of the central establishment, so that each branch is beyond the reach of danger from any local conditions. The management is in the hands of long experienced, expert bankers, each chief officer being styled "General Manager." The shareholders are represented by a Board of Directors whom they appoint and who report direct to them every year, and these directors hold meetings at short intervals to supervise the business and confer with the manager. Such in brief is the Canadian banking system.

The Bank of Japan is like the Bank of England of that Empire, it is the Government Bank. It has a monopoly of the note issues which are redeemable in gold on presentation. They are styled "Nippon Ginko" notes. Our last report gives the circulation as 193,739,875 yen, which is about 96 millions of dollars. The Bank of Japan in 1897 had a paid-up capital of \$11,250,000; deposits, \$982,000,000, and loans, \$289,830,000. The Bank of Japan allows no interest on deposits. In 1898-99 1,565,498 persons deposited \$18,960,700 in the Government Post Office Savings Banks and withdrew \$7,712,000. Evidently, Japan is populated by a wealthy, saving progressive and remarkably intelligent people whose highest ambition is to rival the British Empire.

COMPLAINTS AS TO UNDERWRITING AT LLOYDS.

It is no new thing to hear complaints respecting the settlement of claims against the underwriters at Lloyds, that is, the "Lloyds," London, England. Such a class of business as is transacted at that famous insurance in art—its enormous extent and the great variety of risks undertaken by those associated with Lloyds in the very nature of things create misunderstandings that lead to disputes, delays, litigation and dissatisfaction, more or less. Considering, however, all the conditions of the business and the opportunities it affords for some form