

THE EVILS OF BANKING COMPETITION.

When undue competition breaks out between banks, there is an element introduced between banker and customer which reduces the independence of the former, and tempts the latter to use the competition as pressure to secure accommodations and discounts that under other circumstances would be refused.

Bankers are themselves traders; they deal in credit as others deal in merchandise; naturally, therefore, they do not like to see business pass their doors and customers' accounts withdrawn by the attractions of a rival. Thus they are sometimes induced to relax their rules, and to make their judgment as to paper more elastic in order to secure or retain business. Traders soon discover when they are getting the whip-hand of a banker, and use their opportunities without scruple. Bankers, too, soon find that one concession involves further ones. But paper seems to breed rottenness in a bank's bill-case. A merchant who can get any paper he offers discounted begins to extend his business, and give credit imprudently. The banker's vigilance being weakened by competition, he begins to discount doubtful paper, he loses control over his customer. Then comes a period when the banker is largely at the mercy of the customer whose worthless paper, again and again renewed, is still held among the current loans of the bank.

The mischief one bank may do in this way is very seriously out of all proportion to its power for good: One trader, for example, in a town may ruin legitimate business by holding a sacrifice sale; so one banker who cuts rates, who offers more for deposits than his neighbours, or who sells exchange below its market value, may not get any business worth having by his competitive offers, but he sets the whole body of customers at work to secure the terms he unwisely offers. Traders who assist in such a movement may fancy they are having a good time, when they find bankers are subject to moments of weakness under the pressure of rivalry. But in the long run it will be discovered that there is grave danger in easy terms of credit, and that the independent judgment of the banker, his careful scrutiny of trade papers and his judicial firmness are of incomparably greater value than any concessions that can be secured by competition between banks for the business of a trade.

LT.-COLONEL W. H. CLARK-KENNEDY, V.C., MANAGER FOR CANADA STANDARD LIFE ASSURANCE CO.

The return of Lt.-Colonel Clark-Kennedy, V.C., to Montreal after an absence of four years, afforded his numerous friends and business connections considerable pleasure. During his absence Lt.-Colonel Clark-Kennedy, as is well known, like many others, has gained distinction by serving the

Empire in France. He has won many honours while doing so, the greatest of which has been that, of being awarded the Victoria Cross, as recorded in the official Gazette, London, England, last December "for most conspicuous bravery, initiative and skilful leading on August 27th and 28th last, when commanding a battalion. The occasion was previously referred to in The Chronicle. He has now assumed the management for Canada of the Standard Life, with which company he has been connected for many years. In assuming this position he succeeds Mr. D. M. McGoun who resigned last year. Mr. Clark-Kennedy as he now prefers to be called in business, is a thoroughly well-trained life insurance official, and became familiarized to a great extent, with the affairs of the Standard Life and its organization throughout Canada before the war. In facing his new and responsible duties, he is assured of the utmost respect and loyal support of everyone connected with the Standard Life in Canada.

The Standard Life commenced business in Canada 72 years ago, and has been more closely identified with its upbuilding than most institutions.

The company's investments exceed the large amount of \$16,000,000 in the Dominion.

The Standard Life's Canadian board of directors is one of the most influential in Canada as follows:—Sir Vincent Meredith (President, Bank of Montreal), Sir C. B. Gordon (Vice-President, Bank of Montreal), Mr. D. Forbes Angus, Mr. G. B. Fraser, and Major Herbert Molson, M.C. While it might reasonably be stated that in volume of business British companies do not occupy the position that might be expected in Canada, in view of the fact that their policies cannot be excelled, on the other hand it may be said that they labor under disadvantages not experienced by either American or Canadian companies.

However, this may be, Mr. Clark-Kennedy's advent as Canadian manager is more than likely to mark a new era in the progress of the Standard Life in Canada.

NATIONAL FIRE PROTECTION ASSOCIATION MEET AT OTTAWA.

The 23rd annual meeting of the National Fire Protection Association opened proceedings at Ottawa on the 6th instant. This is the first time Canadian fire underwriters and fire protection interests have had the honour of an annual meeting of this organization in their country, and they are showing their guests every hospitality. Special entertainment features were arranged and the visitors were assured a pleasant as well as a profitable meeting. The sessions, which began on Wednesday were continued through Thursday, most of the time being given to discussion of technical questions arising out of the reports of the various committees.