

insurance companies have been conspicuous in the bond market of late, their policy now being to avoid real estate investments and acquire bonds, the returns of which are more satisfactory.

The financial measures taken by the secretary of the United States Treasury to avoid the troubles of 1902, have proved efficacious as seen in the relative ease in the market for call loans. The outflow of money to the West has been much greater than at same date last year, but there has been no trace of the alarm then felt, the prompt action of the Treasury having inspired confidence, which is as serviceable a medicine as a supply of money when the market has a nervous fit.

Shipment of gold from Europe to the United States is imminent. The exports of wheat, cotton, etc., are not yet as large as usual, but sufficiently so to call for what may be called "return cargoes" in the form of securities, or gold. Sales of bonds in London have been considerably above the average, no small proportion being for American investment. If the gold movement sets in actively the bank rate will be raised and no surprise would be felt were this to occur this week.

A Canadian loan is reported in London to be anticipated to initiate the financing of the Grand Trunk Pacific Railway.

The stock market is gradually assuming a more settled attitude and prices are quietly moving upwards and so narrowing the margin, which is still considerable in some cases, between the market price and the intrinsic value from a conservative and standard investment point of view.

THE BANKS OF THE UNITED KINGDOM.

DECREASE IN NUMBER OF BANKS; AMALGAMATIONS; HISTORIC NAMES DISAPPEARING; PRIVATE BANKS CONVERTED INTO JOINT STOCK; BENEFITS OF THE BRANCH BANK SYSTEM AS COMPARED WITH AMERICAN SYSTEM; BRANCH BANKS PROVIDE AMPLER FACILITIES; STATISTICS OF UNITED KINGDOM BANKS.

On looking over the summarized returns of the Banks in England, at the latest date, October, 1903, it is very noticeable how materially they have decreased in number in recent years. In 1803 there were 102 independent Joint Stock Banks in operation in England and Wales; in 1806 they were reduced to 97; in 1900, to 83; and at present, the number is only 67. In ten years the number of Joint Stock Banks in England has been reduced by 35, or over one-third. This has not arisen from the closing of banks, the number of offices now open being 4,230, as compared with 3,888 in 1809. For the whole of the United Kingdom, the number of banks is now 5,967, against 5,661 in 1809.

The process of amalgamations has effected these changes. Not only have a number of private banks been absorbed by joint stock ones; but joint stock banks have come together like globules of mercury, to form larger institutions; a movement of the same nature impelled by similar causes to that which has

been going on in Canada, which might advantageously be continued, and probably will be ere long.

The private banks in England now number only sixteen, whereas, some years ago there were hundreds of such banks, and the strongest of these institutions in London, up to quite a recent period, were private banks. The latest to succumb to the centralising tendency of the age were, Smith, Payne & Smith's, which were absorbed by the Union of London & Smith's, part of the old, familiar and very honourable name being retained, and Hodgkin, Barnett & Co., which has become part of Lloyd's. Lloyd's, that started as a private bank, has been a sort of banking Octopus that has drawn a number of other banks into its system, both joint stock and private. Prescott's, of London, has also disappeared; having amalgamated with the Union of London & Smith's Bank. There are still left on the list of private banks, the historic names of Beckett, Child, Cocks, Biddulph, Hoare, Roberts, Lubbock, Barnard and "others of less note," which, for generations have represented all that is honourable in finance, and serviceable to business interests. But the great names of Barclay, Gurney, Bolitho, Glyn, Parr, Stuckey, have been taken into the joint stock fold.

In noting this absorption of British private banks by joint stock ones, or the conversion of private institutions into joint stock, as in the case of Barclay's, Baring's, Bolitho's, Crompton's, Glyn, Mills & Currie, Parr's, Williams, Deacon & Co., we are struck with the remarkable contrast existing between the United States' banking system, and that which exists in the United Kingdom.

In the old land the tendency for some past years, ever since, indeed, the Limited Liability Acts, of 1856, 1857, 1858 and 1862, came into force, has been to consolidate the banks in England, by amalgamations, and extend banking facilities by branches, whereas, in the United States, the system is still maintained of independent local banks, the extension of banking facilities being provided by organizing new local banks, many hundreds of which are smaller than any in Canada, their capital being from \$50,000 to \$100,000.

A DEFECT IN THE AMERICAN BANKING SYSTEM.

In this connection our attention has been drawn in the last few days, by an officer in a New York bank, to a serious defect in this system, which we have not seen pointed out previously. In an English or Canadian bank, the officers are moved about from one office to another, by which changes they acquire a varied experience, and have different phases of business requirements and banking practices brought under observation. The members of the staff thus learn their duties thoroughly in various capacities, and, as they show judgment and capacity, they are promoted to higher positions, as accountants, inspectors, or managers. In the United States, on the other hand, a youth who enters a bank in any city or town, has a very narrow range of duties, and his sphere for promotion is limited to the one locality. How far this narrow system is responsible for the constant occurrence of failures in American banks, we cannot pronounce; but the American localized