ENGLISH BANKING METHODS.

Although there is no Government supervision of incorporated banks in Great Britain, as there is in this country, and no official statements of their condition are issued, still, from the reports of their directors the London *Economist* compiles and publishes, at intervals, statistics of their business, which are interesting as furnishing the means of comparing the English methods of banking with ours. The latest of these compilations appeared on May 21 last, and presents the figures for the half year ending Dec. 31, 1897.

Omitting the Scottish and Irish banks, and confining our attention to those of England and Wales alone, we find that the number of incorporated banks in this latter district, containing a population of 31,000,000, is but 91, all told, including the Bank of England, and that their aggregate capital and surplus is £94,000,000, or $470,000,000, making an average for each of $5,100,000. This is in striking contrast with the distribution, in this country, of banking capital. The latest report of our Comptroller of the Currency gives the number of our incorporated banks, national and State, of which he had information, at about 8,700, and their total capital and surplus at $1,724,000,000, or an average for each one of about $200,000. The proportion to population, assuming ours to be 75,000,000, is, therefore, in England and Wales one bank to each 344,000 inhabitants, whereas with us it is one to each 8,600. This disparity does not, however, imply an equal disparity in the banking facilities and accommodations of two countries. Our banks have no branches, whereas the ninety-one banks in England and Wales have, in the aggregate, 3,465 branches and agencies, each of which performs the functions performed by our independent banks, and, for purposes of comparison, should be reckoned as a separate institution. This reduces the average of the bank capitals and surpluses of England and Wales to about $134,000, and the proportion of the number of banks to the population to one for each 8,800, or about the same as in this country. While, however, our 8,700 banks have $5,200,000,000 of deposits, and $4,300,000,000 of loans and discounts, the 3,556 English and Welsh banks and branches have deposits of $2,900,000,000, and lend out $2,700,000,000. That is to say, in England and Wales less than one-half as many banks have three-fifths as much deposits, and lend more than one-half as much money as all ours do.

No return is made by any of the English and Welsh banks, except the Bank of England, of the reserve held by it in gold. In place of this information their reports give merely "Cash in hand and money at call and short notice," which seems to be regarded, by common consent, as equivalent, for practical purposes, to our "lawful money" reserve. The total of this item for the ninety banks in question, excluding the Bank of England, amounted, on Dec. 31, 1897, to £120,000,000 or $630,000,000, and was held against £527,000,000 or $2,635,000,000 of deposits. This is a reserve of over 25 per cent. of the deposits, and, if it were all gold, it would be equal to the reserve required by law for our national banks in large cities. The best information, however, which can be attained makes the actual gold to be not over 10 per cent. of the deposits, and nearly the whole of that is held by the Bank of England on deposit for the other banks.

An important difference between the English and Welsh banks and ours is the almost complete monopoly by the single Bank of England of the issue of circulating notes. Of the ninety banks, other than the Bank of England, of which the *Economist* gives statistics, only thirty-two issue circulation at all, and the total of their issues is less than £1,000,000, or $5,000,000. One bank reports only £2,619 of notes out, and the largest amount reported by any one is £122,000. This fact should be considered by the writers on this subject in this country, who assert that the currency of England is issued by banks in general, and that, as one of them recently put it, England has "a great number of small local banks that have always had out great quantities of their circulating notes, which, being unknown away from their place of issue, have been at a discount away from home." Even including the circulation of the Scottish and Irish banks with those of England and Wales, the total bank circulation of the small banks of the United Kingdom is less than £15,000,000, or $75,000,000, and the whole of it is issued by fifty-four banks. It is therefore not great in quantity, nor are the banks issuing it great in number, and as to its being "at a discount away from home," the assertion is absurdly untrue. Moreover, the Bank of England does not issue notes as a bank, but as an agency of the British Government. Its issue department is as distinct from its banking department as the Treasury of the United States is from our banks, and it is entirely independent of the fluctuations of the money market. For £16,800,000, or $84,000,000, of its notes the Government is responsible, and for all above that amount the bank is obliged by its charter to hold for each pound sterling a pound in specie, of which four-fifths must be gold coin or gold bullion and one-fifth may be silver, though, as a matter of practice, it holds the whole amount in gold.

Another distinctive feature of English banking is the practice of paying interest to private depositors. As a rule, the banks of this country, and, particularly, those of this city, treat the payment of interest on deposits, except on those made by the country banks which keep their reserves with them, as unsound banking. Precisely why they do so has never been satisfactorily explained. As a matter of safety, the country banks, which bank with the city banks, are the first to withdraw their funds when financial trouble seems to be impending, and their action in this respect has frequently precipitated a panic which might otherwise have been avoided. As long as money is hard to lend they leave it here, drawing 2 per cent. and over, but as soon as a demand for it springs up, which would permit the depositary banks to lend it at a profit, they take it away and lend it themselves. Private depositors, on the contrary, are content with a small interest, and are slow to withdraw their deposits, but as, if they desire interest while they are waiting for opportunities to invest, they are driven to the trust companies, the officers of which are more sagacious than those of the banks and are gradually absorbing many valuable accounts which the banks are losing by their obstinate adherence to methods good enough fifty years ago, but which are now antiquated. That the English banks find the practice of paying interest to depositors profitable is shown by their dividends, which are in few cases less than 10 per cent. per annum, and are frequently 20 and 25 per cent. It is true that the practice is not universal, the Bank of England being a notable exception, but it is sufficiently general to be treated as the rule.

The system of few banks with numerous branches which prevails in England also, by diminishing the expenses of the banks, contributes to increase their profits. Obviously 91 banks can be more economically administered than 3,556 can be, even if they have 3,465 branches to maintain, and as to the superior credit of 91 banks, each with a capital on an average of $5,100,000, as compared with those of 3,556 banks the average capital of which is only $134,000, argument is not needed to demonstrate it. If, in this country, instead of 8,700 separate banks with an average capital of $200,000 each, we had, say, 200 banks with an average capital of $9,000,000 each, we should have, in the aggregate, as much banking capital as we have now, and these 200 banks, by establishing 8,500 branches, could do as much business as they do now, and could afford to do it more cheaply to the borrower. Moreover, each of these 200 banks, by controlling forty or more branches, would be better able to accommodate the public, because it could, on occasion, draw money from points where it was redundant and transfer it to points where it was deficient. Canada, with its 38 banks of issue, ... 40 banks, whereas under our system it would have ... banks, by the aid of their branches, accommodate the people quite as well as we have, or even better.

In another respect our banking methods are far behind those of England, and that is the lack, with us, of a great national bank to act as the fiscal agent of the Government, receiving and disbursing its revenues, paying the interest on its debt, and, when a new loan is made, as we are making one at present, to collect the money for it without withdrawing it from circulation. It is true, that by a clumsy and roundabout process, the worst evils of our Independent Treasury system are in some measure obviated by using national banks as depositaries of national funds, but the result is by no means as satisfactory as it could be made. For example, the Treasury is liable to have to take in during the coming month $200,000,000, of which it cannot possibly expend $50,000,000. The only way of avoiding the absorption of the remaining $150,000,000 will be for such national banks as choose to take the trouble, to deposit among them $150,000,000 in bonds with the Treasury, and accept $150,000,000 in cash on deposit, subject to be withdrawn only as it was needed for Government purposes. Large as the reserves of the banks happen now to be, and free as the future is from alarming symptoms, considerable anxiety prevails lest the Government financiering of the war may bring on a money stringency. Such a calamity has been, by skilful management, thus far avoided, as it was avoided last winter when the Union Pacific Railroad debt was in process of payment, but too much is left to skill and not enough to automatic prevention. MATTHEW MARSHALL.

FINANCIAL AND COMMERCIAL.

New York Stock Exchange—Sales and Range of Prices on All Securities Dealt in During the Week Ending July 1, 1898.

UNITED STATES AND STATE BONDS (IN $1,000s).

Sales.	Name.	Opening.	Highest.	Lowest.	Closing.
18000	U S 4s, c, 1907	110½	110½	110	110½
4000	U S 4s, r, 1907	111¼	111¼	111¼	111¼
1000	U S 4s, c, 1925	125	125	125	125

RAILROAD AND OTHER BONDS (IN $1,000s).

Sales.	Name.	Opening.	Highest.	Lowest.	Closing.
1098	Atch adj 4s	67	67⅞	67	67¼
579	Atch gnl 4s	93⅝	94	93¼	93⅝
11	Adams Exp 4s	99	99⅛	98⅛	98⅛
75	Am Sp M 6s	85	86	85	85
106	Am Tob scrip	93⅞	94⅛	93	93¾
3	Ann Arbor 4s	85	85	85	85
3	Alb & Sus cn 7s	123⅛	123⅛	123⅛	123⅛
16	Atch & C 1st, tr	55	60	55	59
28	Austin & N W 1st	84½	84½	*82	82
3	B'way & 7th Av cn 5s	119½	119⅝	119½	119⅝
[illegible]					

Sales.	Name.	Opening.	Highest.	Lowest.	Closing.
1485	Wabash pfd	19	19⅛	18⅞	19
100	Wells-Fargo Ex	123	123	*121	121
17815	West Un Tel	93⅞	94	92⅞	93
2288	W & L E, tr	1⅛	1⅛	1⅛	1⅛
755	W & L E pfd, tr	11⅛	11⅛	10	10
2200	W Chi St Rwy	92⅞	94⅛	92⅞	93

*Ex div. and rights. †Ex dividend.

Total sales, 1,079,515.

SUNDAY, July 3.

The Treasury balance at the close of business on Saturday was $210,400,436, of which $167,603,089 was gold.

The imports of general merchandise, including dry goods, at the port of New York last week, were $8,256,801, against $7,268,017 the previous week and $11,211,488 for the corresponding week of last year. The imports of specie for the week were $30,255, of which $3,754 was gold, making total specie imported since Jan. 1, $70,151,085. Exports of specie were: Gold, $5,795, and silver, $923,990, a total of $929,785, against $1,030,393 the previous week. The exports of specie since Jan. 1 have been: Gold, $4,645,709, and silver, $21,267,856, a total of $25,913,565.

The weekly statement of averages of the Clearing House banks shows:

	June 25.	July 2.	Changes.
Loans	$612,599,100	$620,983,800	Inc. $8,384,700
Deposits	737,547,900	750,074,000	Inc. 12,526,800
Cir'l'tn	14,666,400	14,659,800	Inc. 6,600
L'g'l t'rs	62,486,900	63,462,600	Inc. 975,700
Specie	184,106,000	186,070,200	Inc. 1,963,300
Res've	$246,593,200	$249,532,200	Inc. $2,939,000
Re've r'd	184,386,950	187,518,600	Inc. 3,131,650
Surplus	$62,206,250	$62,013,600	Dec. $192,650

The surplus a year ago was $41,384,875, and two years ago $20,328,275.

Dividends and Interest.

New York Belting and Packing Company, Limited.
25 Park Place, New York, June 25th, 1898.
Coupons due July 1, 1898, on the 6 per cent. Mortgage Debenture Bonds of this Company will be paid, upon presentation, on and after that date at the office of the Knickerbocker Trust Co., 66 Broadway.
WM. T. BAIRD, Secretary.

The Mechanical Rubber Company,
22 MURRAY STREET, NEW YORK, June 23, 1898.
Coupons due July 1, 1898, on the First Mortgage Gold Bonds of this company will be paid upon presentation on and after that date at the office of the Knickerbocker Trust Company, 66 Broadway, New York.
WILLIAM T. BAIRD, Treasurer.

THE PACIFIC COAST COMPANY.
NEW YORK, June 21st, 1898.
A dividend of FIVE PER CENT. on the First Preferred Stock and One Per Cent. on the Second Preferred Stock of this Company has been declared, payable at the Treasurer's office, Manhattan Trust Company, on and after July 20th, 1898, to stockholders of record at the close of business July 15th, 1898.
Transfer books close July 15th, at three o'clock P. M., and reopen July 21st, at ten o'clock A. M.
JOHN KEAN, Treasurer.

NORFOLK & SOUTHERN R. R. CO.
74 BROADWAY, NEW YORK, June 21, 1898.
DIVIDEND NO. 25.
A quarterly dividend of ONE PER CENT. upon the capital stock of this company has been declared, payable July 11, 1898, at the office of the Atlantic Trust Company, 39 William Street, to stockholders of record of June 30, 1898. Transfer books will be closed June 30, 1898, and reopened July 12, 1898. By order of the Board of Directors.
M. W. DOMINICK, Treasurer.

Savings Banks.

THE BANK FOR SAVINGS,
280 Fourth Avenue, New York.
July 1st, 1898.
THE BOARD OF TRUSTEES HAVE DECLARED the usual interest under the provisions of the by-laws for the six months ending June 30th, as follows: At the rate of FOUR (4) PER CENT. per annum on all sums of $5 and upward not exceeding $3,000, payable on and after the third Monday, being the 18th day of this month.
The interest is carried at once to the credit of depositors as principal on the 1st inst., where it stands exactly as a deposit.
It will be entered on the passbooks at any time when required on and after the 18th inst.
MERRITT TRIMBLE, President.
ROBERT S. HOLT, Secretary.

THE NEW YORK SAVINGS BANK.
8TH AV., COR. 14TH ST.
The trustees have ordered that the interest to be credited to depositors July 1, 1898, shall be at the rate of FOUR PER CENT. PER ANNUM on all sums from $5 to $3,000. Deposits made before July 10 will draw interest from July 1.
FREDERICK HUGHSON, President.
RUFUS H. WOOD, Treasurer.
WILLIAM FELSINGER, Secretary.

Savings Banks.

EMIGRANT INDUSTRIAL SAVINGS BANK,
51 Chambers St., N. Y.
New York, June 27, 1898.
DIVIDEND.—The Trustees of this Bank have ordered that interest be paid to depositors entitled thereto for the six and three months ending June 30, 1898, at the rate of Three and One-Half Per Cent. per annum on all deposits up to the limit of Three Thousand Dollars ($3,000).
Interest will be credited under date of July 1, 1898, and will be payable on and after Monday, July 18.
JAMES McMAHON, President.
DAVID LEDWITH, Comptroller.

MANHATTAN SAVINGS INSTITUTION,
NO. 644 BROADWAY.
NEW YORK, June 20, 1898.
94th Semi-Annual Dividend.
The Trustees of this institution have declared interest at the rate of THREE AND ONE-HALF PER CENT. per annum on all sums not exceeding $3,000 remaining on deposit during the three or six months ending on the 30th inst., payable on and after the third Monday in July next.
JOSEPH BIRD, President.
FRANK G. STILES, Secretary.

HARLEM SAVINGS BANK,
2279 AND 2281 THIRD AV., COR. 124TH ST.
THE TRUSTEES DIRECT THAT THE USUAL SEMI-ANNUAL DIVIDEND BE PAID ON ALL DEPOSITS ENTITLED THERETO AT THE RATE OF FOUR PER CENT. PER ANNUM ON ALL SUMS FROM $5 TO $1,000, AND THREE PER CENT. PER ANNUM ON THE EXCESS TO $3,000, PAYABLE ON OR AFTER JULY 18TH. MONEY DEPOSITED ON OR BEFORE JULY 10TH WILL DRAW INTEREST FROM JULY 1ST.
L. HOMER HART, Secretary.
CHAS. B. TOOKER, President.
JUNE 14, 1898.

GREENWICH SAVINGS BANK,
S. E. Cor. 6th Ave. and 16th St.
INTEREST AT THE RATE OF THREE AND ONE-HALF PER CENT. PER ANNUM will be credited depositors for the SIX MONTHS and THREE MONTHS ENDING JUNE 30, 1898, on all sums from five dollars to three thousand dollars, entitled thereto under the by-laws, payable JULY 18, 1898.
JOHN HARSEN RHOADES, President.
JAMES QUINLAN, Treasurer.
R. OGDEN CHISOLM, Secretary.
Deposits made before JULY 10, 1898, will draw interest from JULY 1, 1898.