

**PRESENT-DAY BANKING:  
ITS  
METHODS, TENDENCIES  
AND CHARACTERISTICS**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649212675

Present-day banking: its methods, tendencies and characteristics by Francis E. Steele

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Cover @ 2017

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**Law Publishers.**

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1909.

PRINTED BY  
WILLIAM CLOWES AND SONS, LIMITED,  
LONDON AND BECCLES.

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## PREFACE.

FROM time to time during the last few years, and indeed until quite recently, I have written on current phases of banking for various newspapers and reviews, and published, in article form, summaries of lectures on banking and currency questions delivered at Bankers' Institutes, Chambers of Commerce, and kindred institutions. With the editors of certain papers I have had a convenient and elastic arrangement, in some cases formal and in others tacit, to the effect that on the occurrence of a banking or financial event of importance I should contribute or not, as leisure or inclination at the moment might prompt, an article dealing with the subject. On looking through a file of these contributions, it occurred to me that some of them dealt with banking problems still unsolved, and with financial matters still of current interest, and that these might possibly stand the test of reproduction in book form. I thereupon commenced a sifting process, putting aside articles of purely ephemeral interest, and selecting for publication such contributions as bore on subjects still of moment; certainly to the banker, possibly to the public. My notes of some twenty-five lectures

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on Banking delivered at the London Chamber of Commerce were then subjected to a similar winnowing process. The majority of these—about three-fourths—were thrown aside as ultra-technical or out of date. The remainder are included in the collection. To these have been added some half-dozen papers written mainly in the hope of assisting branch managers and aspirants for management, and others dealing with the tendencies of modern banking as exemplified in the careers of representative banking men.

Explanations on one or two points are due to the reader. The first relates to a certain measure of "overlapping" of subjects. One or two instances of this may be cited by way both of example and explanation. In the first two chapters the subject of banking competition is dealt with, and attention is, naturally, directed to the attenuation of our gold reserves as one of the results of this competition. The question of gold reserves itself, however, is of such commanding importance both to bankers and to business men generally that it demands a chapter to itself, so that when the reader who survives the preliminary ordeal reaches the chapter on "Window dressing and Gold Reserves," he finds that its subject-matter has already been briefly anticipated. Similarly, in writing on the continued tendency to amalgamation in the sphere of banking, one cannot ignore so marked a feature of the movement as the great increase which it has been the means of causing in the number of branch banks. But the subject of branch extension is in itself of sufficient interest to warrant separate

consideration, and consequently it forms the staple of a further chapter under the title of "Are we Over-banked?" For this occasional overlapping of subjects I am hoping for forbearance on two grounds. The more obvious of these is that it is inevitable, since the problems of banking, like those of every other branch of business, are interdependent and intertwined. Few of them can be dealt with entirely on their merits. Each has to be considered not only in itself, but in its bearing upon other problems. The second is that few, if any, readers are likely to wade solidly and systematically through the volume from beginning to end. Sensible people who take up a volume of essays do not read the essays in order. They select those of which the titles interest them. Readers of the present work who adopt this method will probably not notice the inevitable repetition to which I have felt bound to refer.

Another matter requiring a word of explanation is the inclusion of two or three chapters which appear to refer to matters of little present interest. The reason for this is that whilst these chapters relate to events which in themselves may have ceased to be of general concern, they deal also, and mainly, with the general principles deducible from such events, and these are as vital to-day as when the articles appeared. There is a chapter, for instance, on the failure of Dumbell's Bank. Now, although the effects of this failure will be felt in the Isle of Man for more than a generation, the subject itself is not now of interest to the mass of banking men, but the lessons to be derived