

a year was the average. The following is a comparison of the increases for the month of November, and those yearly for the last five years.

	For the month.	For the year.
1902..	\$ 716,519	\$31,562,864
1903..	4,619,736	36,123,284
1904..	4,760,973	52,423,636
1905..	11,251,517	60,889,424
1906..	11,380,654	71,756,614

These increases are regarded as a convincing proof of progress. Call loans in Canada have decreased by \$437,687 since October, but those outside Canada have increased by \$6,382,398. The fancy rates for call money in New York, no doubt, have some influence on this. Current loans in Canada are greater by \$7,675,696 than at the same period last month, and by \$81,686,070 for the year. This is suggestive of business expansion throughout the country—more particularly in the West where the demand for money is very heavy.

Over \$1,100,000 has been added to Reserve Fund the principal additions being made by the following banks:

Bank of Commerce..	\$500,000
Eastern Townships..	260,000
Bank of Hochelaga..	150,000
Bank of Toronto..	115,000

BANKING CHANGES.

That the Dominion's bankers should just now be concerning themselves somewhat specifically with the influencing of public opinion is a natural—and not undesirable—consequence of the Ontario Bank's troubles. General confidence in the country's banking methods is without doubt an incalculable asset, and if radical changes are really necessary for its conservation, such should speedily be brought about. But the mere suggestion, by a banker or any one else, of some striking modification of present regulations is no real argument as to its desirability or efficacy. That the country's existing banking methods do not absolutely preclude the possibility of fraud has unfortunately been proved. But for what system the wide world over can anything like absolute perfection in actual working be claimed, or entirely prevent personal wrongdoing by those in authority?

Changes have already been initiated by two banks—changes, however, which are by no means unanimously approved by Canadian bankers in general. In the one instance a new position has been created, to be filled by an officer responsible directly to the board—as a matter of fact one of his titles is "assistant to the president." The expressed objects of the changes are, of course, to provide a check on the general manager and to protect directors and stockholders from wrongdoing. Notwithstanding that it may be that in almost every other case the delegation of authority to general managers of banks has been beneficial

and fully warranted, the disposition now will naturally be for directors to look more closely to Head Office affairs. But it is open to question whether the method just now mentioned will not entail new difficulties and possibilities of friction which will more than offset any benefits to be derived from it.

The other change already adopted provided that "pending a suitable amendment to the Bank Act, or the adoption by the associated banks of an effective system of inspection, the Bank of Nova Scotia will follow the method of the banks in Scotland, under which each bank employs a chartered accountant trained to bank inspection to verify its statement." The bank has since engaged two chartered accountants in Edinburgh to undertake the work preparatory to issuing the seventy-fifth annual statement to its shareholders. It will be remembered that Mr. McLeod, the general manager, caused some stir among his brother bankers by coming out flat-footedly, at the time of the Ontario Bank collapse, in favour of Government inspection.

Mr. Fyshe, in his forcible letter to the Montreal "Witness," took a position directly opposite to Mr. McLeod, in maintaining Government inspection to be unnecessary and undesirable. Mr. Fyshe's opinion in that respect is held by the bankers generally.

There are two circumstances that combine to make for sound and proper conditions in the larger banks. One is that the general manager is usually a strong man—a man likely to stand out, even against dominant directors should they propose transactions disadvantageous or dangerous to the bank; and the other is that through the multiplication of branches and the growth of business it has become necessary of late years to divide the work formerly done by the general manager and which is still done by him alone in small institutions. In nearly all the important banks the general manager now has a co-adjutor second to him in authority, but of consequence enough to interpose an effectual check if he shows a disposition to use dishonest methods. A defense thus exists—it may not be impregnable, but it is undoubtedly strong—against self-seeking directors or speculating general managers.

The Government could not supply a force of inspectors as capable as the banks themselves now have. United States experience bears this out. The Bankers' Association might do so. But objection against the giving to the Association any powers of inspection would doubtless come from the smaller banks. Now, though it cannot be said that any one or two institutions dominate the Association, naturally the dictum of a very large bank would have a great deal more weight than the say