

PROMINENT FINANCIAL VISITORS

TO STUDY CANADA'S SYSTEM

Of Banking, a Sub-Committee of the U. S. National Monetary Commission is in the Dominion.

A sub-committee of the National Monetary Commission appointed by the United States Government for the revision of the currency system of that country, visited Toronto this week. The committee consists of eighteen members, appointed in equal numbers from the Senate and the House of Representatives. A group of these gentlemen went to Europe during past months, visiting England, Scotland, Germany and France for the purpose of studying their systems. The gentlemen visiting Canada are Congressman E. B. Vreeland, of New York, vice-chairman of the Commission; Congressman Bonyng, of Colorado; Congressman Weeks, of Massachusetts; Senator Burrows, of Michigan; who are accompanied by Mr. Clifford Hubbard, cashier of the Marine National Bank, of Buffalo. Mr. F. C. Buckmaster is secretary of the sub-committee. The Monetary Times was accorded an interview with several of the members on Tuesday, Mr. Vreeland, however, being indisposed, a circumstance which postponed his conference with a number of Toronto bankers. This conference took place on Wednesday, in the Bank of Commerce board room.

Further Knowledge of Branch Banking.

The object of the Commissioners' visit to the Dominion—they go from Toronto to Ottawa and Montreal—is to obtain further knowledge of the system of branch banking in vogue here. Some of these gentlemen are already familiar with Canadian banking, but desire to discuss with experts certain of its points. Doubtless they desire to learn how far it may be possible to apply some of the features of our currency system to their country. Their financial men, while perceiving the need for a change in the American system, which has been shown by recurring panics to lack elasticity, are divided in opinion.

Some advocate constituting a central state bank, resembling the mode of Germany and France; others pronounce in favor of the branch system, as followed in Scotland and Canada. But to adopt either is a grave step; and one which Uncle Joe Cannon told the American Bankers' Association at Chicago last month, "takes time."

Changes are Necessary.

Said Mr. Weeks, the chairman of the committee: "To abandon the present system of currency in the United States, which has been in use for half a century, means a considerable wrench. The people have got used to it, and the bankers are used to it. It is seen, in recent years, that changed conditions dictate some changes in the system. An increase in elasticity of currency there must be. The great growth of the country in commerce and wealth emphasizes this."

Both Mr. Weeks and Mr. Bonyng laid stress upon the peculiar nature of the conditions created by the great number and variety of the banking institutions our neighbors possess. There are, for example, 15,000 state banks, 7,000 national banks, probably 3,000 private banks, and 1,000 trust companies in the United States. The only banks that issue currency are the national banks, and their issues are based upon bonds which they have to buy from the Government.

Suppose a Central System—

It is to be borne in mind that the thousands of state banks, deriving their right of existence from individual states, cannot be affected—if they choose to be recalcitrant—by any legislation passed by the Government of the Union. If they are to be brought into line with a central system, supposing that system to be one which affects their rights or privileges conferred by separate states, this will mean one would think, much convincing, possibly of disciplining. It would, of course, be possible for the Government at Washington to frame a new measure which should induce state banks to become national banks because of the more profitable terms the central government might give them. Some distinct alteration in the treatment of reserves of United States banks is a step clearly inculcated by the panic of 1907. It will not do to have such reserves, at a time of monetary pressure, tied up in the hands of the big banks in the leading cities, the monetary centres. Some means must be found, which do not now exist there, of increasing currency circulation when expanding business requires it.

To change from the present currency system of the United States to either a central bank system or a branch bank system is a matter of greater difficulty, by far, than to construct a new scheme entirely. The present system, born

of civil war, when it was found of great service, is no longer adapted to the changed conditions the country's enormous growth has brought about. Besides, it is a duty the United States people owe to themselves to frame and adopt such a currency measure as will be at once modern and serviceable, in fact commensurate with the wealth and commercial genius of a great people.

SUGGESTS VANCOUVER STOCK ISSUE.

Mr. D. Leigh Wood, of the London banking house of Brown, Shipley and Company, and Captain Leonard, a London banker, and Mr. Aemilius Jarvis, are visiting Western Canada. Mr. Leigh Wood, whose firm has floated Vancouver securities in London, told the Monetary Times, in that city, that English buyers are well informed of Canada's possibilities and are rapidly securing profitable investment. He is taking a look at the big cities of the Dominion. Acting on his suggestion, the Vancouver finance committee will consider, when next amending the city charter, the issue of city securities in the form of registered or inscribed stock.

SIR FELIX SCHUSTER ON CANADIAN CREDIT.

Sir Felix Schuster, of the Union of London and Smith's Bank, was a visitor to Montreal, Ottawa and Toronto this week. Sir Felix, as is well known, is a leading banking authority, and the Monetary Times was favored with a long and interesting conversation with him. He has, by the way, a dread of newspaper publicity, which in these days is an unusual and sometimes admirable trait. Sir Felix chatted interestingly regarding the United States Monetary Commission—before whom he gave evidence in England, and whose sub-committee he met in Toronto on Tuesday—of the British budget, the Canadian banking system and Canadian credit. Canada's credit in London, said Sir Felix, is held in high esteem. He has no doubt that Canadian applications for capital for purposes of legitimate development will in the future be received very favorably. Sir Felix Schuster is Canada's friendly acquaintance, and is not here on a business trip.

BELGIAN BANKER

Has Confidence in Canada as Investment Field—Mr. Joseph Brunner, of Brussels, Talks of His Plans.

Another notable visitor to our country is Mr. Joseph Brunner, head of the private house of Brunner, located at Brussels, Belgium. Mr. Brunner, who has associations with Messrs. Brown, Shipley & Company, of London, who in turn are associated with Messrs. Aemilius Jarvis & Company, Toronto, is making his third tour of the Dominion. To the Monetary Times he stated that twenty-three years ago he first interested Belgian capital in Canada in the shape of investments in C.P.R.

Experiences of Early Days.

At that time he experienced great difficulty in convincing his countrymen that the Dominion was more than a wild stretch of ice and snow and the Canadian Pacific something more than a fantasy. In those days C.P.R. was selling at 58. Belgian investors, therefore, have no reason to regret their confidence in this Canadian enterprise. Mr. Brunner's clients have invested several millions of dollars in other Canadian-owned securities, more especially Sao Paulo, Rio, and Mexican Railways.

Belgium has a surplus population and an over supply of money. Each year the postal savings banks record total savings of \$200,000,000. Mr. Brunner, who estimates that there are now in Canada at least ten thousand Belgians, has just completed an investigation into the resources and investment possibilities of the Dominion. As a consequence several millions of capital are likely to be diverted from Belgium into Canadian channels.

More Belgian Money to Come.

He and friends invested in Western lands some years ago. The enterprise proving successful, other Belgian money has and will come to Canada for real estate purposes.

Mr. Brunner travelled through the West in a private car of the Canadian Northern Railway. He is a keen, observant banker, and impresses one at once with honesty of purpose. He desires to handle only first-class investments, those which show excellent possibilities of doing so. That is only natural, for once capital receives a setback in the shape of bad investments it invariably turns to new channels. Canada offers a fertile field for Belgian investments in safe and remunerative enterprises.