

**A Visiting
Banker's
Impressions.**

MR. J. Russell French in his recent inaugural address as president of the Institute of Bankers of New South Wales, made detailed reference to certain features of Canadian banking.

Both in the similarities and differences of its methods as compared with those obtaining in Australia, the Dominion's system appears to afford perennial interest to our Antipodean kinsmen. The observing of Canadian conditions at first hand while visiting this country gives special value to the opinions expressed by Mr. French.

In his opinion the Dominion is very fully supplied with banking facilities—the development of the branch system being quite as thorough as in New South Wales. Branch buildings are considered for the most part as being substantial and suitable. The comment is made, however, but evidently not altogether with disapproval—that as a rule, except in the main centres, Canadian banks have not run quite so much to brick and mortar as the Australian banks have.

The separate savings bank department for acquiring deposits is, to Mr. French, a noteworthy feature of Canadian banking. Without definitely expressing his own opinion as to its wisdom, he remarks that the bankers of the Dominion—to whose capability and knowledge he pays high tribute—are satisfied with the system, and do not seem to think they are running any undue risk in holding large sums of money in this form, at comparatively short notice. The rate of interest paid is stated as about the same as that paid in Australia on long term deposits. There is evidently, however, a latent doubt in his mind as to just how these deposits would stand the strain of a severe crisis as compared with fixed deposits. But as he admits in another connection, methods may be suited to Canada, owing to its ready contact with London and New York, which are inadvisable in a community as distant from the world's centres, as is Australia.

Another Canadian contrast noted by the Australian observer is the more extended use of bank notes, and the less frequent use of the cheque in smaller business transactions. This he accounts for in part by the fact that notes are a source of profit to the Canadian banks, as they do not pay a note tax, so that there is an inducement to place them in circulation rather than have the trouble and expense of paying and posting a large number of small cheques. Altogether, the public has been educated up to taking notes, so that coin, except in the very small currencies, is not in evidence. That Mr. French did not visit Canada during typical summer weather is evident from a reason which he assigns as a probable "contributing cause" of our note-using habit, namely, that the much cooler climate of the Dominion has a less deteriorating effect on the fa-

bric of the note than has the climate of Australia.

With regard to the principles of the Canadian note-issue Mr. French does little more at this time than refer to his own part in previous discussions of the institute. He makes the comment that the Government regulation as to keeping 40 per cent. of cash reserves in Dominion notes tends to keep those reserves at a lower figure; considerably lower than would be feasible if the banks had not much larger reserves kept within easy call at London and New York. The latter resources are, of course, earning interest, "which is naturally," Mr. French remarks "a very profitable method of holding a portion of what is really part of the cash reserves." As to the absolute soundness of the system in a time of exceptional and world-wide financial strain, our Australian critic seems to be not altogether certain. In this the influence of the Australian viewpoint is strongly apparent. As to the impossibility of any such system in his own country he expresses himself most decisively, saying: "It is quite certain that it is not applicable to Austria, because we have no such reservoirs close at hand where we can store a portion of our reserve to be drawn upon in a few hours or days in case of need." Therefore he hopes the day is far distant when Australasia ceases to keep a very ample gold reserve.

Unstinted recognition is paid to Canadian managerial methods and ability. Mr. French considers that the banks here are better supplied with statistical information as to the country and what it is doing than are the institutions of his own State. In conclusion he says that the people in Canada are proud of their banks with good reason, as they have been powerful factors in the development of the country.



**Standard
Bank.**

The profit and loss account of the Standard Bank of Canada for the year ending 31st of May, 1907 is as follows:

Balance forward 31st May, 1906.....	\$ 31,791 72
Profits for the year.....	251,618 29
Premium on new stock.....	356,142 00
	<hr/>
	\$639,551 92

Premium on new stock transferred to rest account.....	\$356 142 00
Dividends at 12 per cent. (quarterly).....	167,880 40
Written off bank premises, etc.....	10,000 07
Balance carried forward.....	105,529 45
	<hr/>
	\$639,551 92

During the year the assets increased to \$20,623,640, of which \$6,116,739 are immediately available. The deposits are now \$14,676,667.25, being an increase of \$1,526,811.39 over those of last year. Current loans are greater by \$1,995,525.00. The net profits represent an earning of 17.82 on the average paid-up capital for the year.