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BRANCH BANKS AND WESTERN DEVELOPMENT.

The wonderful development of the Canadian North-West during the past few years may be said to be the cynosure not only of this continent, but of nearly all Europe as well. One feature of this development which strikes the eye, and which differentiates it from that of the Western States has been its great steadiness. True, Winnipeg has had its setback—a few years ago—but since this western growth really began in earnest, there has been no violent alternation of up and down, no wonderful increase of prosperity and business, followed by corresponding deeps of stagnation. The growth has been rapid, but sure, and the rate of progression seems to be increasing in momentum as each year goes by.

There can be little doubt that much of this highly satisfactory state of things, from which not only the West, but the East almost equally is bound to profit abundantly, is due to the admirable system which we possess in Canada of branch banks. To them probably more than to any other cause is due the combination of capital with opportunity whenever the latter calls for the former. In this way, the development of the country, of its farming resources, of trading facilities, and so forth, has not had to lag behind on account of lack of available funds.

Many conservative thinkers are apt at times to fear that the practice of establishing branch banks at every little town in the Dominion, is being overdone. Perhaps there are cases in which it has been, and perhaps branch offices have been placed in a field where nothing but over-competition could be expected for the small amount of business offering. But, while admitting this, never let it be forgotten that it is to these local banks—of which we may mention that at the present time, including the head-offices, there

are no fewer than 1,206,—connected branches of the head institutions a thousand miles away—that Canada, and particularly Western Canada, owes much of the plain sailing she has enjoyed of recent years.

Political economists tell us that fluidity of capital is a great factor in prosperous conditions. In favor of the system of branch banking such as we have in Canada, and against the system that is in operation in the United States, is the fact that it provides for this fluidity, or easy flow of capital into the sections where it is most needed, and at the slightest cost of interference with a stable market. In the eastern provinces, that is to say, in many parts of them, industry and business are quiet, and capital, being superabundant, finds difficulty in finding profitable openings for employment. In the West, the reverse condition is the fact; lands are setting up rapidly, industries starting on every hand; the only thing needed is capital, and that is precisely what the East has to spare. Nothing is more easy, nor in its working more simple, than to transfer from the superabundance of the older provinces to the needs of the new ones. That is to say, nothing is simpler, providing the circulation of money is so elastic as it is in Canada, and providing that the banking system is so wisely framed as to admit of this being done without undue interference with the needs, even though they be admittedly lesser ones, of the districts from which comes the abundance. That this can be and has been done must be placed to the credit of our Canadian branch banking system, together with the fact that interest charges in the West and the East show no such wide discrepancies as might prevail under other conditions.

We have heard the objection raised against the Canadian system, or rather in favor of the American system, that the manager of an individual bank in the States is more likely to take a keen personal interest