

a rule, wisely invested with a view
of development and remunerative

TH OF BRANCH BANKS.

en complaints among bankers re-
of branch banks being established
Generally speaking, the older and
institutions have deprecated the ten-
sion. There is little doubt that the
branch banks has been, from the stand-
y alone, the cause of considerable
natural to expect new banks to
they will establish branches wherever
a sufficient amount of business to
aps they will choose to locate their
ce from a rival, rather than along-
frequently happens that many rival
ed within a stone's throw of each
ars to be some waste in this method
but no one has succeeded yet in im-
ovement upon it. Competition and
in the banking world as in all other
ion has hitherto benefited the cus-
be economical if the bankers could
up the territory so as to assure the
nks only where they were necessary.
territory has been suggested occa-
has met with much favor. Pos-
d consent to have its liberty curtailed

ngers of the rapid extension of the
their establishment at unremunerative
bank establishes a branch in any of
ons of our cities a rival soon will
k naturally considers itself quite as
s brother. The multiplication of
is open to the greatest objection.
in which branch banks are to be
ry block, and not infrequently several
block. Some of these branches are
ive. Upon which side of the ledger
appear, in the event of a business
open question. The country has
continued prosperity for many years,
contingency has not been put to the
amount of capital locked up in bank
ate purchased at high prices, and
at a great cost causes some of the
bankers to look askance at the

the banks themselves to check effec-
nable multiplication of branches.
a reasonable opportunity to do busi-
nk doubtless will be established. This
n some respects, from the banker's
tomer, perhaps, will take an opposite

on the increase in branches is the
nks to spare a sufficient number of
nd trustworthy men to take charge
For months past there has been a
off in the expansion movement, and
this as the reason. There is nothing
situation, but a word of caution is
It pays well to look into the future.

ING COMBINATIONS.

between Canadian and American
strikingly shown in what may be
alliances." In the Dominion certain
a sense allied. One institution will
ment with another, the terms of which
reference in the matters of collections

and of drawing drafts; or, one bank will maintain a
large balance with another larger bank, this balance
being part of its cash reserve, and in return will be
accorded special privileges in collections, etc. Other
kinds of agreements or arrangements are entered upon,
but one and all of them are on a purely business basis.
If one bank gives something, it invariably gets a quid
pro quo in some shape or other.

Not one of the Canadian banks surrenders a jot of
its independence or self-control when it goes into a con-
tract of this kind. So far as is known, none of our
banks exercises any control over any other bank. All
are perfectly independent; the boards of directors and
the managements run affairs purely in the interests of
their respective bodies of stockholders. Indeed, in
Canada a different state of affairs would hardly be tol-
erated. The banks are, so to speak, on the defensive
all the time to retain privileges they enjoy.

In Parliament the sharp eyes of critics, none too
friendly to the banking interests, are upon the affairs
of the banks. Whenever they see anything that looks
to them like a tendency to monopoly or a too great con-
centration of control, they make vigorous attacks and
call loudly for further restrictions, for the elimination
or curtailment of privileges, such as note issue, etc.;
and they usually get a following. Under these circum-
stances the bankers have wisely carried themselves so
as to avoid stirring up the dogs of strife. Partly
because of the strong competition that exists and partly
because of their settled policy to cultivate and conciliate
the public, they have exercised their rights moderately,
and in a statesmanlike manner they have provided great
facilities of all kinds and met reasonable demands,
strengthening themselves with the people.

In this, they have taken the measures best calcu-
lated to enable them to retain what they have, and,
perhaps, even to get a little more if they show good
cause. Had they been aggressively active in asking
for fresh concessions, had they pressed to the limit what
rights they had, had the most powerful of them sought
to build up giant monopolies, there is little doubt but
that a struggle would have been precipitated which
would have resulted in the curtailment of banking privi-
leges, and probably of their power to aid in the national
development.

Things are not the same across the border. In
New York City particularly, the great bankers, or some
of them, have succeeded in stirring up quite an active
hostility. One of the chief causes of the popular dislike
is found in the combinations that have taken place. It
has been well known for a long time that two of the
leading market interests controlled a chain of big banks
in New York. The largest combination is that known
as the Standard Oil group. It comprises the National
City, the Hanover National, New York City National,
Citizens' Central National, Lincoln National, Second
National, Seaboard National, Colonial Bank, National
Butchers' and Drovers', the Fidelity Bank, the Col-
umbia Bank, the Greenwich Bank, the Irving Exchange
National, West Side Bank, Trust Company of America,
and Bank of the Metropolis. Sixteen banks in all, some
of them very large.

The next important group is that called the Morgan
group. It includes J. P. Morgan & Co., First National,
National Bank of Commerce, the Chase, Liberty and
Astor National Banks, the Guaranty, Equitable, Mer-
cantile, Manhattan and United States Mortgage Trust
Companies. These are the two most powerful combi-
nations. There is another, a group of seven banks,
controlled by Charles W. Morse.

Since the beginning of the year elections for bank
directors have taken place in a large number of banks.
As a result another power now steps into the field. It
is what is called the United Copper interest. The bank
elections disclosed the fact that this interest had ob-
tained control of seven or eight banks. The bulk of
the people view these operations with dislike. A sig-

nificant feature about the last of them was the active
campaign instituted by competitors to secure the busi-
ness of the banks thus passing into the new control.

Presumably the argument used with the customers
would be: "We are independent. Our business is run
on general banking principles. The bank you deal with
has passed under the control of So-and-So, and it will
be run in his interests. If you change to us you can
depend on receiving good treatment all the time. If
you stay, your accommodation may be shut off or your
deposits used to facilitate the purposes of the gentle-
man in control." The Evening Post says the campaign
was vigorously waged, "with the result that there has
been considerable shifting of accounts from one insti-
tution to another." That is one straw showing that
bank customers, as a rule, prefer to deal with banks
that are independent.

There may be some significance, too, in the fact
that the leading banks of the two big combinations
show decreases in deposits during the year 1906. The
National City deposits decreased over \$27,000,000; the
First National, nearly \$11,000,000; the National Bank
of Commerce, \$6,500,000. Another cause operating to
reduce the deposits of these banks was the monetary
stringency. Call loan rates were so high as to tempt
the customers of the banks to draw down their deposits
and loan the money directly on the money market.

Another cause was the coming into operation of the
trust company reserve law. Under the terms of this
the trust companies were obliged to increase the cash
held in their own vaults against deposits. A consid-
erable part of the cash so required naturally would be
drawn from the three banks mentioned. So it would
not be safe to assume that the decrease of deposits was
due to unpopularity; it is safe only to conjecture that
it may have had some effect.

MINERAL WEALTH OF ONTARIO.

The mineral production of Ontario for the year 1906,
according to the report prepared by the Bureau of Mines,
shows an increase of more than four million dollars
over 1905, the total output being valued at \$22,221,808,
as against \$17,809,226 in 1905. These figures are based
on the value of the minerals while in the form in which
they are exported. The net value of the metallic output
amounted to \$13,179,162; the non-metallic, \$9,042,646.
Noteworthy gains during the year were: silver, with
an excess value of \$2,170,212; nickel, \$481,485; copper,
\$309,555; pig iron, \$644,720. In the non-metallic
group, Portland cement heads the list with an advance
in production of \$595,563, and the excess value of
natural gas was \$216,970. There was not as much
crude petroleum produced as in 1905, the value falling
off \$126,999.

There was a considerable increase in the output of
the various products from the Cobalt mines over 1905.
The total output of silver amounted to \$5,357,830
ounces, valued at \$3,543,089, the 1905 output being
valued at \$1,360,503; Cobalt, 312 tons, valued at
\$300,819, as against 118 tons, valued at \$100,000, in
1905. There was an excess in the output of nickel of
81 tons, the output in 1905 being only 75 tons, valued
at \$10,000. The output of arsenic was somewhat less,
being valued at \$1,558, as against \$2,693 in 1905.

Up to the close of 1906 the Cobalt camp has pro-
duced 8,016,061 ounces of silver at a total value of
\$5,015,475; 446 tons of cobalt, 243 tons of nickel, 1,919
tons of arsenic. These three last-named minerals have
brought little or no return to the mine owner. They are,
however, estimated to be worth \$150,779, \$13,467,
\$3,596, respectively. However, the production in 1906
was very much greater than in 1905.

Taken as a whole, it may be said that last year was
an exceptionally successful one, and if present indica-
tions of operations in the various mining camps are to
be taken as a criterion, this year's output should sur-