

tainty and the big corporations will not know what kind of government they will have to work under. So, it is quite natural that there should be long periods of dullness in the stock markets. However, although the bears have again recently attacked the quotations they are unable to induce selling. Holders of stocks are apparently quite willing to keep them no matter what happens at Chicago and at Baltimore.

In Canada money is unchanged. Call loans are 5 p.c. and  $5\frac{1}{2}$  as heretofore. Continued heavy increases in railway earnings are doing much to maintain general confidence. Canadian Pacific reported another weekly gain of \$468,000; for the 11½ months of the fiscal year the gross increase has exceeded \$17,000,000. In the same period Canadian Northern gained \$4,179,000 or 29 per cent. These results and the largely increased clearings show how active is Canadian business. On the whole, the condition of the Western Canadian wheat crop is said to be satisfactory. During the week wheat prices at Chicago firmed up on account of the cold weather in the Northwest and excessive rains in winter wheat territory. So far the cold wet season has not done more than delay the Western crops. But many farmers in Ontario and Quebec have been seriously inconvenienced. Continued rainy and cold weather has injured or destroyed fall wheat, and has prevented seeding of low lying ground. It is said also that in many districts early potatoes have rotted. As the high price of potatoes has been a very influential factor in raising the cost of living and in creating discontent among workers of all kinds, it will be regrettable if the 1912 potato crop turns out to be short. On the other hand the pastures and hay fields generally are in good condition. The rains should have considerable effect in increasing Canada's production of butter and cheese.

#### BANKING AS A PUBLIC SERVICE.

**Sir Edmund Walker Addresses New York State Bankers on Position of Banking in United States and Canada—The Banks' Deposits and Credits.**

Sir Edmund Walker was one of the speakers at the recent annual convention of the New York State Bankers' Association held at Buffalo. Speaking on the subject of "Banking as a Public Service," Sir Edmund referred to the position of the banking systems of the two countries and the popular criticism of each. The following are summarized portions of the address:—

#### LOANS AND BRANCHES.

Contrasting the service rendered the public by the bank of the individual type in the United States as compared with the branch bank in Canada, the speaker said that the Canadian branch manager was as keenly seeking for advancement as his American cousin. His progress depended on the good business he could secure. Competition between banks for

business was carried on so fiercely that too free lending at branches was apt to be the result. Having to prepare a weekly report of business conditions, the branch manager knew that success only came to him whose business life was spent in trying to do his part in his particular community.

When it came to judging the soundness of business, perhaps the branch manager would sometimes fail because his head office would have a much wider range of information regarding any particular branch of trade than he would likely have, but if the transaction was sound the head office would desire the business so long as the bank had the money to lend. That any head office would favor the east as compared with the west, or large cities as compared with small, or the city where the head office was situated as compared with places where it had established branches, he thought would be quite opposed to the interests of any bank, and was, in fact, entirely at variance with established practice. Hundreds of the largest banking credits in Canada were granted at places far from large cities, and where it would be quite impossible for the local bank to grant any important percentage of the credit required.

#### CANADIAN BANKS A CLEARING HOUSE.

"Doubtless," said Sir Edmund, "there are many men in Canada who have tried to start ventures in small places who feel sure that had there been a local bank with its board to appeal to, they would have succeeded. They do not consider the far greater number of men with uncertain ventures who have been refused loans by banks in the large cities. The Canadian bank wants practically all the good business it can secure, but in a time of rather rash inflation the judgment of the bank is apt to be too conservative to please the public, although perhaps not always conservative enough to secure safety."

"A Canadian bank is a great clearing house into which its deposits from all Canada pass and out of which its loans to all Canada are taken, without any effort being made to transfer the surplus money in one locality to another locality where there is a surplus in loans over local deposits. The surplus money in many localities in the United States finds employment through the efforts of note-brokers who have undertaken to find money for ventures which cannot be secured where the ventures exist. Certainly the transference of surplus lending capital from one place to another is done more readily under our system, and I think it is fair to conclude that we have better machinery for lending the money securely and for dispersing it fairly as to localities than by working through note-brokers."

#### TO EQUALIZE CAPITAL.

"If it is an important service to the country to equalize, as far as possible, the distribution of loanable capital throughout the country, it is clear that a corresponding service will be rendered by the securing of deposits from the people so as to make every otherwise idle dollar effective for the progress of the country. In the main the banker is eager to obtain deposits in proportion as he finds that loans are required, and thus the matter seems to settle itself. But unless the machinery is in existence for distributing the loanable capital so that it will easily flow from where it is not needed to where it is, there will not be that pressure to obtain deposits which