

trades with distant countries. Our pastors often assure us it is the missionary Church that is most aggressive at home. The deflection of a certain amount of Canadian capital to Mexico and South America, though it may not look patriotic to the intensely domestic individual, is, perhaps, after all an application of spiritual law to the worldly world.

WITHDRAWALS ARE CHECKED.

Perhaps the most unlooked-for, albeit satisfactory, feature of the statement of the Canadian chartered banks for April is the increase in deposits. Deposits payable on demand show a gain of \$3,570,079, and those payable after notice of \$3,071,307, a total of \$6,641,386. Such an increase is welcome in view of the drain which has been made within recent months upon the amount deposited in Canadian banks. Current loans in Canada, which were at a record point a month ago, show further expansion, and in April amounted to \$586,149,738.

The banks' foreign deposits increased during April almost one and three-quarter millions. Foreign balances have been restored, and the net increase of the amounts due from banks and agencies in the United Kingdom and elsewhere, as against the increased amount due these agencies, is nearly \$5,000,000. Altogether, the statement is, perhaps, the most satisfactory for many months.

The increase in deposits to some extent might be accounted for by the growth of the branch bank system. Many of the new offices are now in working order. Branch banks necessarily must be important factors in the increase of deposits. The seven new Canadian banks established since 1900 have to-day probably more than 200 branches. At the beginning of October last they had 192 branches, distributed thus: Sovereign Bank, 69; Metropolitan Bank, 21; Crown Bank, 19; Home Bank, 8; Northern Bank, 37; Sterling Bank, 37; United Empire Bank, 1. The number of branches of the twenty-eight older established banks at that date was 1,373, making the aggregate number of the 35 Canadian bank branches 1,565. The 95 branches of the Bank of Montreal, since increased by the taking over of those of the Ontario Bank, and the 96 branches of the Bank of Hamilton, were exceeded in number by the Canadian Bank of Commerce with 152, the Union Bank with 120, and the Merchants Bank with 111.

Another inference to be drawn from the increased deposits is that the large sums of money, which have been loaned by the banks, have obtained for the borrowers a certain amount of profits. So much cash has been loaned during the past six months, the deposits at the same time declining, that it is certainly time some satisfactory result was shown in the bank statement. The following figures constitute an interesting index to the situation:—

	Nov., '06.	Dec., '06.	Jan., '07.
Deposits on demand	\$183,391,213	\$192,143,482	\$170,564,666
Deposits after notice	400,507,693	398,765,182	404,902,318
Current loans in Canada	538,695,115	548,684,480	550,938,838
Bank premises	14,149,343	14,860,607	15,055,135
	Feb., '07.	March, '07.	April, '07.
Deposits on demand	\$168,482,383	\$163,637,868	\$167,217,947
Deposits after notice	406,307,052	404,299,184	407,370,491
Current loans in Canada	562,678,044	579,057,554	586,149,738
Bank premises	15,351,358	15,611,027	15,698,461

The increase in current loans proves that industrial expansion is as marked as ever. Advances from all parts of the country show that many new enterprises are being launched. As a general rule, these will assist in affording still more commercial strength to the Dominion. The banks have been cautious in the matter of loaning big amounts. A little care in this matter is certainly advisable, although, but for a few "wildcat" concerns,

money has been, as a rule, wisely invested with a view to general industrial development and remunerative returns.

THE GROWTH OF BRANCH BANKS.

There have been complaints among bankers regarding the number of branch banks being established throughout Canada. Generally speaking, the older and more conservative institutions have deprecated the tendency to rapid expansion. There is little doubt that the rapid growth of branch banks has been, from the standpoint of advisability alone, the cause of considerable uneasiness. It is natural to expect new banks to organize. And they will establish branches wherever there appears to be a sufficient amount of business to justify them. Perhaps they will choose to locate their branch some distance from a rival, rather than alongside. Yet it not infrequently happens that many rival branches are situated within a stone's throw of each other. There appears to be some waste in this method of doing business, but no one has succeeded yet in introducing an improvement upon it. Competition and rivalry must exist in the banking world as in all other spheres. Competition has hitherto benefited the customer. It would be economical if the bankers could arrange to divide up the territory so as to assure the establishment of banks only where they were necessary. Such a division of territory has been suggested occasionally. It never has met with much favor. Possibly no bank would consent to have its liberty curtailed in such a manner.

One of the dangers of the rapid extension of the branch banks is their establishment at unremunerative points. When a bank establishes a branch in any of the growing sections of our cities a rival soon will appear. Each bank naturally considers itself quite as enterprising as its brother. The multiplication of branches in cities is open to the greatest objection. There are sections in which branch banks are to be found in almost every block, and not infrequently several are located in one block. Some of these branches are not very remunerative. Upon which side of the ledger the balance would appear, in the event of a business depression, is an open question. The country has enjoyed great and continued prosperity for many years, and fortunately this contingency has not been put to the test. But the large amount of capital locked up in bank premises, real estate purchased at high prices, and buildings erected at a great cost causes some of the more conservative bankers to look askance at the course of events.

It is up to the banks themselves to check effectively an unreasonable multiplication of branches. Whenever there is a reasonable opportunity to do business, a branch bank doubtless will be established. This may be an evil; in some respects, from the banker's standpoint, the customer, perhaps, will take an opposite view.

One check upon the increase in branches is the inability of the banks to spare a sufficient number of tried, competent and trustworthy men to take charge of their branches. For months past there has been a noticeable falling off in the expansion movement, and some bankers give this as the reason. There is nothing very serious in the situation, but a word of caution is certainly necessary. It pays well to look into the future.

BANKING COMBINATIONS.

The difference between Canadian and American banking policy is strikingly shown in what may be called "banking alliances." In the Dominion certain of the banks are in a sense allied. One institution will enter into an agreement with another, the terms of which call for a mutual preference in the matters of collections

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