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One Source of Banking Strength in Canada.

EARLY this week the London Times referred editorially to the satisfactory condition of the finances of Canada compared with those of the United States, and said in effect: Our Canadian brothers are not much behind their neighbours in their activity in the sphere of industry and commerce, but they have been under the wholesome restraint of a sound banking system. The working of the Canadian banking system in this time of difficulty is eminently satisfactory.

United States observers also are just now giving recognition to the benefits which the Dominion enjoys through possession of tried and tested banking methods. Many American bankers have long admitted certain advantages—due to a branch banking system—which Canadians enjoy over their neighbours during crop-moving seasons. But the abnormal conditions of this autumn have made evident more essential advantages than those merely of greater convenience. That banking stability is absolutely dependent upon continued confidence is a truism. That it is difficult—often impossible—for isolated and comparatively small banks to retain the absolute confidence of their communities in times of financial stress may just now be considered almost equally axiomatic.

Our Canadian West—like the East, also—is undoubtedly feeling, with the rest of the world, a degree of financial stringency. But when the experience of the United States West is studied, there is good cause seen for comparative contentment. That the contrast arises very largely from differences in banking methods is most clear. Across the border, the various cities and towns, with their adjacent farming communities, are dependent upon banks, many of which have capital of but a few thousands of dollars. Not unnaturally there is a tendency for the public to hoard its cash rather than entrust it to institutions of such limit-

ed strength. Compare for instance, the dubiety in sentiment of a United State community served by a \$25,000 local bank, with the confidence of some Canadian prairie town whose banking needs are attended to by a local office of one of our chartered banks.

There are times and seasons when special sections are apt to grumble that mere branches of distant institutions are not as alive as they should be to local needs. It is not necessary to deny that there is some cause for complaint; but it is not difficult to make clear, from United States conditions, the danger of much greater evil in relying too entirely upon local resources. In advancing the view that the United States needs a central bank, the Liverpool Post and Mercury remarks that while Canada has maintained financial soundness without the aid of any national bank, it could scarcely have done so if the law had required banks to limit their operations to a single province.

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Western Wheat and Eastern Money.

THE public is coming to understand more clearly the actual conditions of this year's crop moving in Canada. It is no longer inclined to credit sensational newspaper accounts of grain vessels going out light from Port William, owing to the banks' arbitrary refusal of advances on shipments. An investigation into the case which was given most publicity showed that the shipment of grain involved had been purchased by an American, and was destined for a United States port. Advances had been made on the shipment as far as Fort William, where the balance of the purchase price was to be paid. The suspension of the Duluth Board of Trade, of which the buyer was a member so embarrassed his personal resources that he was not able to meet his obligations at Fort William, with the result that the shipment had to be left