

EXTENSION OF CANADIAN BANKS

Earlier Policy Was to Connect With Foreign Institutions— Royal Has Taken Lead, But Several are Now Active

OF several new developments in Canadian banking during the past year, one of the most important is the extension abroad. The extension is summarized in "Agricultural and Industrial Progress in Canada," issued by the Department of Colonization and Development of the Canadian Pacific Railway. The article says:—

Canadian banks made notable progress internationally during the year 1919, and, anticipating foreign trade in hitherto unexplored fields, banking connections were established which will have great future importance. It is vital to the development of Canadian trade in foreign fields that it have the active co-operation of Canadian banks, and this has been admirably given in the past year. Canada's banks and their branches are now to be found in the far east, in South America, in Spain and France, where, as previous to the war, they were represented outside of the Dominion, only in England, the United States, Newfoundland, Central America, Cuba and in the West Indies.

Prior to the war, it was not the policy of Canadian banking institutions to extend their enterprise to points far afield as it was felt that in making foreign extensions the tendency would be to take abroad Canadian capital actually required for home uses. It was thought preferable to strengthen and extend relations with foreign banking houses and retain their goodwill, thereby conserving our resources for the assistance and encouragement of domestic development.

Far East, U.S. and South America

With the new era of reconstruction, however, Canadian bankers have been confronted with the problem of international development for Canadian industries, and for Canadian producers in general. Canada attained during the war a position of international importance undreamed of previous to the outbreak of hostilities, and in her new status, the vital duty of the Dominion bankers is to aid in the maintaining of this elevated prominence.

In the past year, the Union Bank as part of the organization known as the Park-Union Foreign Banking Corporation has opened branches for business in Yokohama and Tokio, Japan; Shanghai, China; San Francisco, Seattle, U.S.A., and Paris, France. The formation of this subsidiary corporation, designed primarily to develop trade with the far east is actually the first working alliance consummated between an American and a Canadian bank—cannot but bring about satisfactory results in the stimulation of Canadian commerce with oriental countries.

In the development of Franco-Canadian relations significant banking moves were made in 1919. The Park-Union's branch in Paris was opened November 10th and gave the Union Bank a direct banking connection in that country. The Bank of Montreal and the Royal Bank of Canada each opened branches in Paris. The Royal Bank, like the the Bank of Nova Scotia, was represented in the West Indies and in Central America prior to the war but since has continued its penetration into the Latin-American states.

Venezuela, West Indies and Spain

During 1917, four branches of the Royal Bank were opened in Venezuela, five in the Dominican Republic, and seven in the British West Indies, including Haiti, Martinique, and Guadeloupe. Further branching out in 1919, branches of the Royal Bank began operations in Rio de Janeiro, Buenos Aires, and Monte Video. In the early part of 1918, a branch was opened at Barcelona, marking the first entrance of a Canadian banking institution into Spain. A branch established late in 1918 at Vladivostok, was for the accommodation of Canadian troops in Siberia, because in the disrupted state of Russian trade, business had been practically impossible.

The Canadian Bank of Commerce established interesting Italian connections early in the war, and acquired a substantial interest in the British Italian Corporation, the

function of the Canadian institution being to represent it in the Dominion. The president of the Bank of Commerce went to Japan in the summer, not to open branches, but to get a clearer insight into trans-pacific business. The Bank of Montreal and the Canadian Bank of Commerce some years ago, entered Mexico and established branches there, and expect yet to carry on business there profitably. The Canadian Bank of Commerce also has a branch at St. Pierre, Mignelon.

West and South Africa

By purchasing a substantial interest in the Colonial Bank, the Bank of Montreal has established a unique banking association, owing to the fact that Barclay's Bank and the National Bank of South Africa already have a substantial interest in the Colonial Bank. Canada is thus connected through this acquisition with the West Indies, West Africa, and South Africa, through the wide ramifications of the powerful group of which Barclay's Bank, London, is the head. The Colonial Bank was founded in 1836, with an English charter having wide powers. Not long ago, control of the Colonial Bank was purchased by Barclay's Bank, London, in pursuance of an active expansion policy.

The Bank of Montreal has five branches in the United States, two in the United Kingdom, one in Continental Europe, and one in Mexico City.

The Bank of Nova Scotia has an extended business in Cuba and the West Indies, operated through fourteen branches, also three branches in the United States.

Both the Dominion and the Merchants Bank have branches in the United States, the former also in the United Kingdom.

The Banque Nationale was the first Canadian Bank to open a branch in Paris, France.

HOUSING ASSOCIATION FORMED

The Western Ontario Housing Commission's Association was formed in London, Ont., on March 8th, at a meeting of representatives from ten cities. It was decided to send a delegation to ask the Ontario government not to abandon the scheme. The functions of the new association include the investigation of the trend of construction prices, means of meeting difficulties which have arisen as a result of recent sharp increases in costs, and measures to provide temporary accommodation in emergencies.

ALBERTA SEED GRAIN LOANS

Alberta's obligations for seed grain loans within and without organized municipalities will aggregate in the neighborhood of \$4,000,000 by the time seeding is completed this year, according to a statement of Hon. Duncan Marshall, minister of agriculture, in the legislature on March 5th. At the present time there are outstanding loans for seed grain outside the municipalities, of some \$464,000, and to settlers within the municipalities of some \$1,230,000—a total of \$1,694,000 over the whole province. At the same time, there are outstanding over the province about \$850,000 in loans advanced for seed grain by the Dominion government, but this represents a reduction from a total of \$3,400,000 advanced by the Dominion government since 1915, which Provincial Treasurer C. R. Mitchell thought constituted an excellent record.

The Ottawa fire department's training school may be made a national institution. Such a proposal is to be discussed at the next fire chiefs' convention. The suggestion emanates from the department of insurance, Ottawa.

Toronto University is instituting a new course leading to the degree of Bachelor of Commerce. The instruction will be given by the present staff, and the course will be started this fall.