

BANKING POWER—CANADA AND THE STATES.

Several weeks ago an article appeared in a leading New York financial paper comparing the balance sheets of the Bank of Montreal, and the National City Bank of New York. As the figures for all the national banks in the United States, as at 12th November, 1906, have just been published, it will be interesting to compare with them in a similar manner the showing made by all the Canadian chartered banks. In this instance, however, the table will contain a comparison of each set of institutions with the preceding year thus making it possible to ascertain which has made the greater progress. The headings, of course, are not the same, but there are a number similar enough to permit one line being used for both sets of banks. Whenever this is the case a more satisfactory comparison can be made. The table follows: (000 omitted). It contains the principal items only.

Liabilities.	CANADIAN BANKS			U. S. NATIONAL BANKS		
	Oct. 31, '06.	Oct. 31, '05.	Increase.	Nov. 12, '06.	Nov. 9, '05.	Increase.
Capital paid.....	\$ 94,344	\$ 83,864	10,480	\$ 847,514	\$ 808,328	\$ 39,186
Res.....	66,544	57,493	9,051	504,548	429,785	83,763
Undivided Profits.....	9,769	11,797	*2,028	183,124	212,371	*29,247
Note circulation.....	83,719	76,891	6,828	536,109	485,521	50,588
Federal Government deposits.....	3,911	1,847	2,064	129,193	51,600	77,593
Individual deposits.....	627,554	547,768	79,786	4,289,773	3,989,522	300,251
Deposits of other banks.....	7,075	5,934	1,141	1,555,935	1,464,908	91,027
Loans from other banks.....	9,951	324	9,627	44,006	39,127	4,878
Bills payable.....	.....	.....	.....	35,144	28,497	6,647
Bonds borrowed.....	.....	.....	.....	57,336	36,590	20,746
Total.....	935,313	811,800	123,513	8,213,878	7,563,155	650,723

* Decrease.

ASSETS	CANADIAN BANKS			U. S. NATIONAL BANKS		
	Oct. 31, 1906	Oct. 31, 1905	Increase	Nov. 12, 1906	Nov. 9, 1905	Increase
Specie.....	\$ 23,433	\$ 20,157	3,276	\$ 482,278	\$ 460,934	\$ 21,342
Legals.....	45,209	39,255	5,954	154,267	162,974	* 8,707
Redemption fund.....	4,746	3,841	905	26,546	24,047	2,499
Notes and cheques other banks.....	32,037	27,578	4,459	443,003	399,871	43,132
Loans to other banks.....	9,951	324	9,627	.....	.....	.....
Deposits in other (home) banks.....	8,719	8,432	287	.....	.....	.....
Due by British banks.....	9,218	9,213	5	.....	.....	.....
Due by Foreign banks.....	18,129	19,849	* 1,720	.....	.....	.....
Due by National and State banks.....	.....	.....	.....	534,404	473,415	60,989
Due by approved reserve agents.....	.....	.....	.....	615,237	569,121	36,116
Call loans.....	117,415	110,446	6,969	.....	.....	.....
Current loans.....	566,744	479,589	87,155	4,419,780	4,071,208	348,570
Securities.....	71,130	67,851	3,279	.....	.....	.....
U. S. bonds and premiums.....	.....	.....	.....	711,934	583,123	128,821
Bonds, securities, etc.....	.....	.....	.....	665,960	657,943	8,017
Bank premises.....	13,760	11,060	2,700	146,795	136,693	10,702
Total.....	\$935,313	\$811,800	\$123,513	\$8,213,878	\$7,563,155	\$ 650,723

* Decrease .000 omitted.

In the national bank figures deposits between banks account for a very large sum. A great many of these represent merely a duplication or even triplication of funds—the same funds appearing in the accounts of several different banks and conveying the impression that the banking power of the United States is much larger than it really is. American writers do not always take account of this fact when comparing the banking power of their country with that of other countries.

A comparison of the growth of individual deposits is strikingly in Canada's favour.

Ours increased a little over 14½ p.c.; theirs less than 7½ p.c. The rate of our progress is nearly double theirs.

To compare loans it is necessary in the case of our banks to add call and current loans together. Doing so the increase is found to be nearly 16 p.c. as against 8½ p.c. for the American national banks.

The difference in the system of note issues makes a comparison there difficult. It also complicates the securities—a great many of the securities held by American banks are for the purpose of securing their circulation and the Government deposits they hold.

The different ratios of growth of individual deposits is fairly good evidence that Canada's real banking power is growing at a better rate than that of the United States.