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JAMES J. SALMOND, MANAGING DIRECTOR

F. W. FIELD,
MANAGING EDITOR

A. E. JENNINGS, P. G. CHERRY, B.A. Sc.,
ADVERTISING MANAGER CIRCULATION MANAGER

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BANK AMALGAMATIONS

The President of the Royal Bank took occasion at the special general meeting last week to give his views on the subject of bank amalgamations. He thought that there would never be any lack of competition between banks in this country as a consequence. As an illustration, he stated that already one or more competing banks have announced their intention to open in the towns where the Royal Bank and Traders Bank are duplicated, so that it would appear that deserving borrowers will have no difficulty in obtaining their requirements. He also stated that when Canada was a country of small affairs, small banks sufficed, but that we must have banks with large resources to handle the large operations of the present day; that from the standpoint of the shareholders amalgamations tend to economy in administration and to the elimination of waste from the duplication of branches, and, most important of all, they make for financial security and stability. It is well known, he said, that bank amalgamations are widely favored in England and Scotland, where the resources of powerful banks have been considerably built up through this generally approved medium.

These considerations, as described by Mr. Holt, are important. While there have occurred many bank amalgamations in recent years, several new banks have at the same time commenced business. Another will open its doors, with headquarters at Moose Jaw, early this fall. There is talk, too, of the formation of a large banking institution at Vancouver.

Whenever business men in any particular district feel a really serious pressure through lack of credit or imagine that banking facilities are insufficient, they do one of three things—complain, change their banking

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connections or start a new bank. Facilities generally being adequate, complaint is rare, the switching of bank accounts becomes a matter of competition, and new banks are few and far between. No obstacle exists to the organization of more banks in Canada. Strong and capable men may be able to operate a sound and successful banking institution. Inexperienced or unscrupulous men, who imagine a bank operated under their charge will solve alleged grievances, will come to grief, as in the past. A substantial bank can always find room, although how much good business it will get depends upon what is offering, the enterprise of its officials, and the drawing of a sharp line between banking business and bank gambling.

We hear little grumbling regarding the manner in which the banks serve the country. Complaint usually comes when certain classes are short of money and their credit is curtailed before their appetite is satisfied. Usually, that is a good sign. It means that the banks have properly checked the speed of the economic machine. If those who lament most as to banking facilities had all the money desired, the country would rapidly experience serious disaster. If the number of our banks is reduced still further by amalgamation and an opportunity is opened for Canadian, British or foreign capital to establish a new bank, it will be established. Nothing will stop capital seeking satisfactory outlets.

STEEL INDUSTRY FOR BRITISH COLUMBIA

The opening of the Panama Canal will develop the coal industry in British Columbia. That in turn may draw greater attention to the iron deposits in the province, and later mean the establishment of iron and