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BANKING IN MEXICO.

The banking situation in Mexico is one of interest, and especially so in view of the fact that the Bank of Montreal and the Bank of Commerce both have established agencies in that Republic. An experiment in banking, which has been proceeding for some time, is attractive because of its relation to the question whether a single bank or a plurality of banks of issue is the better policy. An idea of the importance of this subject can be gained from a reference to general trade and finance in Mexico. As Sir Edmund Walker recently pointed out, the supply of foreign capital there has, broadly speaking, been drawn from the following sources:—

1. British, including Canadian, about \$700,000,000; about 60 per cent. being invested in railways, 15 per cent. in mining, and 25 per cent. in agricultural and other industrial enterprises.

2. United States, about \$1,000,000,000; about 35 per cent. invested in railways, 45 per cent. in mining, and the balance in other industries.

3. French, German, Belgian, Dutch and Spanish, about \$300,000,000, invested largely in bank stocks, in manufactures, and in wholesale and retail trade.

The Germans control the hardware trade, the French the dry-goods, and the Spanish the grocery trade. We find that the trade which might be done by Canada is

almost entirely monopolized by the United States, the grain trade excepted. A business, not always large but always valuable, is carried on with the United States in lard, hams, bacon, canned meats, fish, butter, condensed milk, cheese, fresh, preserved and dried fruits, vegetables, grain, flour, cereal foods, etc. In comparison with this, we figure only as sellers of grain, and doubtless until we can produce more we shall not do any of this trade except grain, but, nevertheless, it awaits us when we are energetic enough to seek it.

The exports of Mexico exceed the imports handsomely, but this may not continue when development in that country is on a larger scale. The total trade for the fiscal year 1908-9 was \$387,633,000, imports being \$156,533,000, and exports \$231,100,000. The corresponding figures for 1909-10 were: Total foreign trade, \$454,913,000; imports, \$194,857,000; exports, \$260,056,000. In every prominent article of export except two there was a considerable advance over the figures of the previous year. All of these figures should be divided by two to represent our money values.

With some minor exceptions, Mexico was under the régime of a single bank of issue until the law of 1897, but the National Bank (so-called) did not extend its branches throughout the country. The law of 1897 did not entirely reverse the policy of a central bank, but allowed the creation of one bank of issue in each State under careful safeguards prescribed by the law. To a certain extent this seemed to meet requirements by dif-