

## CANADIAN BANKS IN NEW YORK.

## Operations in Foreign Exchange and Stock Exchange Loans—Not Allowed to do a Discount Business.

Six Canadian banks have branches in New York, viz., the Commerce, Montreal, British North America, Merchants, Nova Scotia and Royal. These, according to the Wall Street Journal, have shared in the good business that appears to have been the portion of the general run of banking institutions last year. The Canadian banks are by far the most important of the foreign banking corporations doing business in the United States. In fact, in the class of business they do some of them compete closely with the national banks and trust companies.

But so diversified and extensive has the general demand for credit accommodation been last year that it was possible for the Canadian banks to reap their harvest in different fields of operation to those in which the New York banks have had a profitable year. These banking institutions have benefited from the active commercial demands and the discounting of paper for mercantile houses. They have gained little from the more or less high rates for money that have ruled on the Stock Exchange. The Canadian banks, on the other hand, do not do a discount business in the New York market. They are forbidden to do so by the state banking laws. Their principal operations in New York consist in loaning on the stock market and in foreign exchange, and in both of these lines they have done a good business.

## Liquid Assets in Wall Street

In Wall Street call loans a large part of the Canadian banks keep their liquid assets. This is for two reasons. In the first place, it is the best market for this class of business on this side of the Atlantic, and in the second these funds are available at a moment's notice. Gold can be withdrawn in New York one day and received at Montreal the next.

The Canadian banks, on occasions, have had as much as \$200,000,000 in loans in New York and London, principally New York, says the Journal, but for reasons referred to below they have had considerably less than that in New York this year. At the end of November the official statement showed \$142,000,000 in loans elsewhere than in the Dominion. The loans in New York, as already said, are principally on Stock Exchange collateral.

## Foreign Exchange Market

The Canadian banks are also a considerable factor in the foreign exchange market and their transactions last year were on a large scale. There is no proper market for exchange in Canada; hence the greater portion of the Canadian bills drawn against grain and other commodity shipments to Europe are sold on the New York market. Not only was this heavy last year, but there was a constant flow of capital into Canada from London and the United States to finance the development that has been going on in all commercial lines in Canada. Against the capital that has been secured in Europe much of the exchange transactions have been carried on in New York. This development has been going on for the past two years in Canada, regardless of the predictions made at one time that it would be short-lived and might end disastrously. It is because of this commercial prosperity at home that the Canadian banks have less in loans outside the Dominion now than they have had in former years.

## SCHWAB, GARY AND CARNEGIE QUOTED IN PROSPECTUS

How the names of Messrs. Charles M. Schwab, E. H. Gary and "Mr. Carnegie," were used in literature advertising a Canadian mining claim promoted by Julian Hawthorne, Josiah Quincy, Dr. William J. Morton, and Albert Freeman, was shown in evidence offered by the government in the trial at New York of the four men for alleged fraudulent use of the mails.

"Opinions given by high authorities," Messrs. Schwab and Gary and "Mr. Carnegie," concerning quality of iron ore obtained from mines controlled by foremost steel interests, are purported to be quoted in a letter written in May, 1910, to Julian Hawthorne by George J. Seay, a banker, of Richmond, Va. This letter is alleged to have been sent out as advertising for the Wilbur mine, a Hawthorne property, with a personal letter by Hawthorne introducing Seay as "incidentally one of the largest stockholders" in Hawthorne mines.

Mr. Schwab is quoted in the letter as stating that "the average ore being brought down by the Steel Corporation from the Superior region is 49 per cent."

The government offered the testimony of John W. Astley, a mining expert, that he reported to the Hawthorne offices in New York that his examination of the Wilbur mine showed him that the iron ore averaged 35 per cent., and was not present in sufficient quantities in any one place to make the mining of it easy or profitable. Judge Gary is mentioned in the Seay letter as testifying to the quality of iron ore in Canada.

## HOW NEW BANKS ARE FARING.

## Comparison of their First and Latest Statements to the Government—Another Soon to Start Business.

Another chartered bank, the Bank of Saskatchewan, will shortly commence business with headquarters at Moose Jaw. This institution obtained its charter some time ago and the organization is practically completed.

The Bank of Alberta is being formed at Edmonton and application will be made for a charter at the present session of parliament. Aside from these, the three newest banks on the list are the following:—

Bank.	Commenced business.
Bank of Vancouver .....	1910
Weyburn Security Bank .....	1911
La Banque Internationale .....	1911

## How They Have Fared

It is interesting to see how they have fared. The following accounts are culled from the bank statements in which the various banks first appeared and from the statement of November, 1912:—

	Bank of Vancouver.	
	June, 1910.	Nov., 1912.
Authorized capital .....	\$2,000,000	\$2,000,000
Subscribed capital .....	611,500	1,173,900
Paid-up capital .....	291,995	846,600
Reserve fund .....		40,000
Dividend .....		435,545
Notes in circulation .....		825,032
Deposits on demand .....		759,242
Deposits after notice .....		2,137,520
Total liabilities .....	336,735	300,000
Call loans in Canada .....		
Call loans elsewhere .....		1,913,176
Current loans in Canada .....	64,434	
Current loans elsewhere .....		54,876
Bank premises .....	1,659	3,056,318
Total assets .....	336,735	120,960
Loans to directors .....		

## Weyburn Security Bank.

Jan., 1911.	Nov., 1912.
\$1,000,000	\$1,000,000
602,600	630,000
301,300	315,000
.....	15,000
.....	5%
.....	331,785
270,541	598,456
154,433	266,681
431,292	1,252,195
.....	50,000
552,893	919,050
.....	
76,436	106,412
745,599	1,561,384
4,726	45,481

## La Banque Internationale.

Oct., 1911.	Nov., 1912.
\$10,000,000	\$10,000,000
10,000,000	10,000,000
1,026,940	1,359,833
.....	
.....	943,730
.....	367,143
.....	446,428
.....	1,769,026
.....	541,288
.....	
.....	1,098,799
.....	19,409
.....	80,800
.....	3,093,889
.....	181,638

## Reorganized or Absorbed

La Banque Internationale will either be reorganized or absorbed by another chartered institution within a comparatively short time. The Weyburn Security Bank, prior to 1910, was doing a private banking business as the Weyburn Security Company. The three institutions have branches as follows:—

Bank.	No. of branches.	All in
Bank of Vancouver .....	13	British Columbia
Weyburn Security Bank .....	10	Saskatchewan
La Banque Internationale .....	12	Quebec

There are now 25 banks. With the Bank of Saskatchewan in operation and if the Bank of Alberta gets its charter, we shall have 27 banks.

The Canadian Pacific has placed an order with the Lackawanna Steel Company for 30,000 tons of steel rails.

The officers of the New Westminster bank clearing association will be: Mr. G. B. Brymer, Bank of Montreal, chairman; Mr. H. R. Davidson, Canadian Bank of Commerce, vice-president; Mr. J. Gracey, Bank of Toronto, secretary-treasurer and manager.

The Honorable S. N. Parent, chairman of the Quebec Water Works Commission, which has recently had its name changed to the Quebec Streams Commission and has been invested with the powers of a corporation in order to carry out its scheme of constructing a large storage reservoir on the upper St. Maurice, for the purpose of regulating the flow of that river for generating electricity, is in Quebec in connection with this work. The area of the proposed reservoir will be more than 300 square miles and the amount of water to be stored will be about 160 billion cubic feet. It will drain a basin of more than sixteen thousand square miles in area, and give a regular flow of 18,000 cubic feet per second in Shawinigan and other places.