western wheat growing industry was established and the whole economy experienced a boom unparalleled until after the Second World War, there was a tremendous expansion in banking facilities; this continued when the War was over, partly because of keen competition. The number of branches in Canada rose from 555 in 1897 to 4,676 at the end of 1920. This number was not again equalled until 1958; during the 1920's and 1930's the number of branches declined partly because motor transportation brought a general movement of Canadian commercial business to larger centres, but also because of bank amalgamations and particularly because of the need to eliminate duplicate facilities during the difficult times of the depression. Wartime staff problems and other operating difficulties brought some further decline. Since the end of the Second World War, however, with a rapidly expanding economy, sharply rising population and growing urbanization, new branches have again been opening at a very rapid rate. As in the early days of the century, offices have been established along the frontiers of the economy, in new towns, oil fields and mining camps, as well as in the old-established urban centres where industrial and commercial growth have so enlarged the demand for banking services. The banks have also gone out to meet the banking needs of new groups of suburban dwellers, establishing offices in shopping centres and following new trends in architecture to make their premises there and elsewhere as attractive as possible. In all, the number of banking offices in Canada, which was about 3,300 at the end of 1939 and 3,100 at the end of 1945, grew by almost 2,000 in the fifteen postwar years.

As the growth in the number of branches suggests, Canadian banks have been taking full advantage of the expansive postwar atmosphere to extend the volume and variety of their services to industry and to individuals. Indeed, the increased costs involved in the operation of so many new and enlarged branches have been one factor in the banks' endeavours to make complete use of their facilities. Strongly competing for customers, they have offered a wide variety of new deposit arrangements, including new savings programs of various kinds and new forms of chequing accounts, and have greatly broadened their lending activities.

By the end of the War, the banks had experienced more than fifteen years of restricted demand for commercial credit. Loans had declined sharply during the depression and shown only a slightly rising trend during the pre-war years of incomplete recovery and, of course, in the wartime economy bank lending was subject to a variety of restrictive influences. The result was a marked change in the composition of bank assets; by the end of 1945 security holdings accounted for about 55 p.c. of the banks' total assets, compared with a little over 40 p.c. just before the War and only about 15 p.c. in 1930. In the early years of postwar reconstruction, the economic control apparatus created for the War was gradually dismantled. The expansion of the private sector of the economy and the contraction of the government sector was quickly reflected in a shift of bank assets from government securities to commercial loans. Between the end of 1945 and the end of 1950, bank loans in Canadian currency increased from about 21 p.c. to 31 p.c. of total assets. There was, at the same time, a rapid growth in total assets, as the monetary authorities leaned to the side of relatively easy money conditions to stimulate the economy and to ward off the widely anticipated postwar recession. In the five years ended Dec. 31, 1950, total assets expanded from about $7,300,000,000 to $9,400,000,000, almost all of the increase being in Canadian assets.

It was not until the outbreak of the Korean war in June 1950, that the fear of inflation, arising from the heavy demands on Canadian resources, led to the adoption of restraining measures. Since then the banks have experienced substantial changes in their credit-granting capacity, as the country's official monetary policy was adapted to meet changes in business conditions. Alternating periods of ease and restraint have been marked by periods of rapidly rising bank assets followed by levelling-off phases, though never by actual declines.