

help thinking that where chartered banks are established, the agricultural interest are not upon an equal footing with the commercial classes, if they have no part or share in banking accommodation. I am well aware that unlimited accommodation might be very hurtful, but there are circumstances where accommodation might be granted with the greatest safety, and where it would most unquestionably greatly augment annual production.

There are no privileged debts, such as rents and taxes, in these provinces, to take all, or most, of the farm produce, and therefore the security that farmers could offer here would be infinitely better than that of farmers in the British Isles, who might by one year's bad crops, or a great fall in stock, find themselves deprived of all their capital. Far be it from me to offer any objection to banks. I only wish to see the class to which I belong able to participate in their advantages. Banking, though it may be chiefly confined to the commercial class, must be useful, because it increases the circulating capital. I believe however it has very little if any effect on the price of agricultural produce for exportation. For example; if wheat, flour, potashes, or lumber, are wanted in England, the prices here of those commodities will be governed by the prices there, and our banks will not much increase that price. If these commodities are required in Britain, they will be purchased here for that market at a proportionate price, whether we have a bank or not. Speculation, with a fair prospect of remunerating profit, will always insure us purchasers. I may form an erroneous opinion on this subject, but the grounds on which I found this opinion are, that while the farmer when he has produce, and is obliged to sell, because he cannot obtain an accommodation to allow him to keep his goods for a better market, the banking accommodation to the merchant is not productive of much benefit to the farmer. To be on an equal footing in regard to the facility of obtaining a moderate money accommodation, appears to me to be essentially necessary to the interest of the agricultural class, or the usefulness of banks must in a great degree be confined to those who transact business with them. Were the accommodation afforded by our banks to be the means of establishing and supporting useful manufactures, they might then be indirectly beneficial to agriculture, by increasing the number of the consumers of agricultural produce; but while banking accommodation is solely limited to the discounting of bills circulating between merchants, they are, and must be the principal gainers by the banks, under the present circumstances of British America.

Were the Scotch system of banking introduced in British America, it is the only one that in my humble judgment would be suitable to afford a judicious accommodation to agriculturists. It has been found to work well in Scotland for all parties, and I am not aware of any circumstance that would prevent it from working equally well here.

Lest some readers might be unacquainted with the principle of the Scotch banking system, I shall give it insertion here.

The plan of granting credit on cash accounts, which now forms a principal feature of the Scotch banking, was introduced so far back as in the year 1729. The nature of these cash accounts consists in the banks giving credit on loan to the extent of a sum agreed upon, to any individual or house of business that can procure two or more persons of undoubt-

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