

ratio which would make our burdens, per individual, almost as great as those of the United Kingdom—and this though we have never been engaged in war on our own account.

We have no desire to damp the aspirations of the younger generation amongst us, with whom a boundless confidence in the future of Canada is a primary article of faith. Such confidence is as natural as it is creditable, and will be one element in developing a national spirit. Neither would we encourage the forebodings of some amongst us, who look upon any new expenditure with misgivings, as if we had already reached the summit of our prosperity, and were in future only to experience a continuous decadence. Apart, however, from either of these opposite poles of sentiment, there is a reasonable and calculating caution, such as every man amongst us requires to exercise in regard to his own affairs, and which is just as necessary when the affairs to be considered are the expenditures of the country.

When making comparisons between the taxation of one country and another, their respective powers of bearing taxation are essential considerations in the case. The same rate of taxation which would sit lightly on a wealthy community, would be a severe burden upon a people of smaller resources. The power of bearing taxation, it will be conceded, is largely dependent upon three elements: first, the accumulated wealth or savings of the past; second, the business of the present; and third, the resources and prospects of the future. Of these, the two first are by far the most important, for it is out of the profits of business, or out of the income from savings that all taxes are paid.

To make a comparison between Canada and the United Kingdom in these respects is impossible, for there are no statistics which would be available for the purpose. But there is one part of Great Britain with which Canada can, in some respects, be compared, viz., Scotland. Comparison made by means of their respective banking returns gives us a fair approximation to their relative position in respect to past savings and present business—as well as some insight into their future resources.

The population of Scotland is near enough to that of the whole Dominion to make a comparison valuable and interesting. Commencing, then, with the item of realized savings, as indicated by bank deposits, we find the following result in the two countries, respectively:

Scotland.	Canada.
\$365,000,000.	\$83,400,000.

The figures are taken from the bank re-

turns in each country respectively, which, fortunately, are ample and complete. The figures for Canada include deposits in Government and private savings banks as well as in building societies; and in making the comparison we have allowed nothing of the same kind for Scotland. The comparison must, therefore, lean to the advantage of Canada, if there is a bias at all.

The disproportion between the two is somewhat startling, and may, perhaps, give rise to some reflections. The savings of the past, represented by real and personal property, cannot be gathered from statistics; but anyone who knows the two countries respectively cannot doubt that in this respect, also, Scotland, at present, has vastly more of accumulated wealth.

The present volume of business in any two countries may very fairly be compared by a reference to the bank discounts required by each. In this respect, Canada and Scotland compare as follows, the figures showing the total amount under discount by the banks of each country respectively:

Scotland.	Canada.
\$340,000,000.	\$136,000,000.

Here we have a much nearer approximation than in the deposits, but the volume of business in Scotland is still very far in excess of that done in Canada. Then, in addition, as bearing on the power of supporting taxation, if we consider the number of people who have incomes independent of business in both countries, it is impossible to doubt that Scotland again greatly preponderates.

Putting these two together, then, the accumulated savings and the active business, we must conclude that the same amount of taxation per head would weigh with vastly greater force upon Canada than upon Scotland. But England is certainly as rich as Scotland in proportional accumulated savings, and has certainly as large a volume of active business per head. Its accumulations in real property and investments are probably far greater.

Ireland is undoubtedly poorer than either Scotland or England, though it has progressed at a wonderful rate (judged by its banking statistics,) of late years, but if we take any excess of wealth in England to counterbalance any deficiency in Ireland, we shall probably be near the mark. This would make an average for the United Kingdom equal to Scotland.

Finally, we look at the prospects for the future of the two, and here the advantage must be greatly in favor of Canada. The Dominion is barely half developed, and though its resources in timber are being fast exhausted, its agriculture, its mining, its fisheries, and its manufactures are susceptible of vastly greater development than ex-

ists at present. But we must not forget that Great Britain is progressing, too. The increase in the deposits of the Scotch banks last year was \$29,000,000. Ours was only \$9,000,000, and it is remarkable that whereas the increase in Scotch deposits the previous year was \$19,000,000, the increase in ours was only \$3,000,000.

We, like our American friends, are apt to cherish the delusion that Britain is progressing at a slower rate than ourselves, and that we can draw on the future in a manner which would be dangerous for her. Statistics do not confirm this opinion. Canada is young and vigorous, and growing, but she will need to beware how she mortgages her future resources. The burden of interest is cumulative, a weight we might easily bear ten years hence, would become a crushing burden if ten years interest is added to the principal. Hence, our policy should be to see that any burden of debt is incurred for purposes which will bring in an income sufficient to pay the interest at any rate, as well as to develop the wealth producing power of the country in the future.

#### THE STADACONA BANK.

We are in the habit, as our readers are aware, of criticising the movements of the banks as a whole, but it is not often that we feel called upon to make any remarks about any one of them in particular. And if our banks were private partnerships, with which no one was concerned but the partners and their creditors, we should, perhaps, not feel it to be our province either to criticise ourselves, or to open our columns for the criticism of others. Our chartered banks, however, are, in a certain sense, public institutions. They are created by Act of Parliament; they have the privilege of issuing notes to circulate as money, and they are bound to furnish the public with statements of their proceedings month by month. They are placed, then, by the very conditions of their existence, in the position of being amenable to public criticism.

For these reasons we have thought it desirable to insert a letter which has been forwarded to us, signed "Finance," calling attention to the singular fact that the Stadacona Bank, though barely two months in existence, has already declared a dividend of seven per cent.

Now, upon this fact we must, in the interests of the public, make a few remarks, and ask a few questions:—

1. The Bank has only published one return in the *Canada Gazette*, from which it is evident that, properly speaking, it has yet done no banking business at all. Its cir-