

*Defects in Canadian
System -*
② 1. Convertibility
2. Reserve-bank.

lead to its serious modification, if not to its abolition, is its failure to inspire the public with full confidence in the ready convertibility of the bank issues—and the insufficient security possessed by shareholders and depositors against fraud and mismanagement.

The Canadian people, scattered as they are over such an immense area of territory, demand for commercial purposes a currency which will be taken without doubt or hesitation from one end of the Dominion to the other. Such a bank currency we have not—such a currency the State alone can supply, and ere long probably will, in response to the demand of public opinion, which on this question is rapidly ripening. But that such a currency will be modelled after the American is not at all likely, nor indeed is it desirable.

