

money lender is a private money lender, they both deal in the same article, true, but in other respects their professions ought to be considered as distinct as the butcher and the shoemaker; the only way a competition could be created would be to allow every individual to issue shin-plaster upon the same principle as the Banks issue their notes, any other way would destroy the business of Banking altogether.

It is said once give the Banks the full power and they will monopolise, combine to increase the rate of interest, &c.; this is all moonshine. Have Canadian Banks the capital of the whole world under their control? Are we shut out from foreign capitalists? Is there not plenty of capital in the hands of the people to establish new Banks if required? Would a monopoly be permitted? How long would it stand? No time at all; the fact is, the very safety of the Banks themselves depends upon their not attempting any such thing; and they know it well,—they know the consequences. There is the same competition among Banks as among every other occupation, and there is no more danger of monopoly with them than with the butcher and baker. Could they, by a combination raise the price of money,—advance its actual value? Would people pay exorbitant rates? No. Would the people submit to imposition? If any such attempt was made, would not the old law be put into force again, and the Banks placed in a more restricted position than ever they were? The present Law is not irrevocable like the laws of Medes and Persians.

In England where an unresisted law works so admirably the rate of interest is regulated by the Bank of England. If we had a similar law here the same rule would follow. Our large institutions, for instance, the Bank of Montreal, would regulate the market. Now is it to be imagined that institutions like this, controlled by men of true ability and integrity, would suddenly assume the villainy and rascality of the Wild Cat Banks of the Western States,—the idea is preposterous.

With regard to creating a competition between individuals and Banks, the thing ought not to be attempted. Banks are established upon a credit system,—the safest that can be. They are of immense benefit, and by their system the rate of money is reduced one-half what the individual can lend for. The only proper competition for Banks are Banks themselves. The more you bring the Banks into competition with men who trade upon actual capital, the higher you will raise the rate of interest.

It is said the Banks would charge high rates and force their circulation. Now is it to be supposed that the men who have placed our institutions upon so sound a footing, who have acquired a reputation the world over, as good Managers, would be tempted from that steady and safe course which has characterized them the last 40 years, or even since Banking was established in the country. Any attempt to create dividends and profits above the proper value of Bank stock would very soon be detected and soon create new Banks.

By their Charters they are permitted to circulate Bills to the extent of double the amount of their capital. Now they have never been able to reach that sum. By the statement published last April upon \$17,49,754 paid up capital, the circulation is only \$7,991,111. And this is as much as the Banks can keep out with safety to themselves. Would they not if they could, take