

feature about present-day United States banking in the large centres, is the tendency towards concentration of stock control. Rich and powerful capitalists obtain control of certain banks, and seek gradually to extend the pale of their influence. It may be that the banks in their control continue in some cases to discharge their proper functions, but there are substantial grounds for the idea common among the people that the controlled banks are sometimes used as engines to further the private schemes of the men in control. Though the panic of 1907 checked the tendency for the time there is danger of its being renewed when the lessons of the panic are forgotten. This tendency is not seen in Canadian banking. Ownership of the stocks of the banks is widely distributed—five and ten share lots, and odd numbers of shares constitute the bulk of the holdings in all the stock lists. Even if some rich capitalists were to succeed in obtaining the control of a majority of the stock in a Canadian bank, fear of a hostile public sentiment would be sufficient to deter them from perverting its operations too largely for their private benefit. If this did not suffice, there would still remain the wholesome influence of the revision of the Bank Act by Parliament every ten years. The House of Commons is quick to notice and resent any departure by the banks from their duty of providing facilities for carrying on the general trade and commerce of the country; and, in their own interests, the banks strive to avoid practices likely to stir up the enmity of that powerful body.

#### **How Large Borrowers are Carried.**

Another important difference exists in the manner of carrying the large borrowers. In Canada, as the banks are large, it is the custom to insist that firms and individuals confine their borrowings to one bank, except in the case of very large corporations or companies. Thus, the lines of credit carried by big merchants and manufacturers at the individual banks are often very large, sometimes even when the accounts are at a small country branch. In the United States, on the other hand, the large borrowers are obliged frequently to submit to having their paper peddled among a dozen or more banks. As a consequence, the tie that binds the borrowing customer to his bank is stronger in Canada than it is across the southern boundary, the banker has a more comprehensive oversight of his customer's affairs, and the customer is in less danger of being thrown into bankruptcy, while perfectly solvent, through the happening of a panic or crisis.