

. CANADA — *East and West* .

Animals.			
1911.....	40,636,575	10,063,544	1,544,055
1914.....	26,735,114	24,728,798	1,885,207
1915.....	38,222,698	34,186,056	1,981,980
1916.....	67,821,789	29,051,195	6,009,292
1917.....	93,299,158	28,575,365	5,920,945
1918.....	112,196,873	48,078,407	12,467,801
Manufacturing.			
1911.....	6,973,820	16,524,005	11,785,293
1914.....	8,583,540	30,391,764	18,468,148
1915.....	24,848,359	42,164,753	18,526,389
1916.....	148,477,303	58,202,141	35,355,554
1917.....	339,013,448	91,990,586	46,395,642
1918.....	300,715,681	151,883,178	184,053,657

Banks and Banking in Canada

The history of the banking institutions which the visitor in Canada so constantly encounters—20 banks with over 4,200 branches—is an interesting study. In its completed form it is a combination of British systems administered with a caution as to fundamental matters which is very British, and with an energy and readiness to assimilate new ideas and methods of ordinary operation which is typically American. When the provinces came together in 1867, there were 18 banks in Canada—the first was the Bank of Montreal, established in 1817, and the second, the Quebec Bank, formed in 1818; in 1902 there were 36 banks with 747 branches; in 1919, after many changes, due in part to a few small failures but in the main to amalgamations, there were 18 banks, with 4,300 branches.

There are several important differences between the American and Canadian systems. The chief is probably the Branch plan under which the vast distances and transportation difficulties of earlier days in Canada lost much of their effect upon isolated centres because of the easy flow of money from the head offices to the sections where money was most needed; similarly the branch system has made the financing of the annual movement of Canadian crops thousands of miles by land and water, a comparatively easy matter. So with the matter of failures. In the United States, where there are thousands of small national or private banks independent of each other, failures have been very numerous at every financial crisis; in Canada most of the crises of the past century passed without a single failure. In the United States, also, money may be plentiful in the east and very hard to get in the west, and so on; in Canada, the flexibility of the banking system provides admirably for all sections and for individual protection and convenience.

Under the Canadian system the charters of all banks expire simultaneously every ten years and require to be, and always have been, specifically renewed. Banks are empowered to issue circulating notes to the extent of their unimpaired paid-up capital and these, in 1880, were made a first lien on all assets. In 1890 the banks were required to create a guarantee fund of 5 per cent. on their circulation to be maintained unimpaired for redemption of notes of any single bank which might fail and be unable to redeem its notes within 60 days. These notes are not secured by special deposit of securities with the Government as in the United States, but are based upon the general assets of the institution concerned; notes under \$5.00 are issued by the Government. There are clearing houses in all the chief cities and centres—the first was formed in Halifax in 1887. The total in 1902 was \$1,871,061,725; in 1918 it was \$13,763,803,755 and in 1919 \$16,709,598,895. The banks of Canada took a conspicuous and at the same time a cautious part in the war; they did much in policy and in the maintenance of public confidence to give Canada financial stability and thus enable the Government to do its part; they lent large sums of money to Great Britain for purposes of trade. How they prospered in that period may be seen in the following table:

	1914	1919
Gold and coin.....	\$ 62,659,688	\$ 80,088,103
Dominion notes.....	138,056,339	172,964,172
Loans in Canada.....	854,546,031	1,207,109,046
Total assets.....	1,555,556,815	2,965,373,675
Reserve fund.....	113,070,859	124,712,670
Circulation.....	105,969,755	232,486,736
Public deposits.....	1,012,739,990	1,841,478,895
Total liabilities.....	1,314,646,254	2,706,715,918

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