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All articles, contributions, and letters on matters pertaining to the editorial department should be addressed to the Editor, and not to any other person who may be supposed to be connected with the paper.

"BRADSTREETS," of May 31st., contained a lengthy and interesting letter from Mr. B. E. Walker, General Manager of the Canadian Bank of Commerce, in reply to one in a previous issue of that journal, from Mr. W. H. Cannon, President of the Chase National Bank, in which Mr. Cannon criticized some of the arguments in Mr. Walker's pamphlet recently noticed in these columns. The main point at issue is that of the comparative merits of the Canadian and the American systems of banking. Touching the safety of depositors Mr. Walker admits that "both systems have unmistakably worked well," but repeats the argument of his pamphlet that the Canadian bank with twenty branches practically represents twenty national banks of all sizes and conditions, and that "the probability of loss to the depositors in one bank with several millions of capital is less than the probability of loss to some of the depositors in ten or twenty small banks having in the aggregate the same capital and deposits as the large bank." The logical value of this argument is not, it strikes us, so great as might at first sight appear. It is open to the retort that if on the one side the risk of loss to depositors in the one large bank must be set over against that of depositors in any one of the twenty small banks to which it is equivalent, we must not forget, on the other side, that the risk of loss to all the depositors in the one large bank is also set over against the risk of loss to the comparatively small number of depositors in one of the small banks. That is to say, the greater probability of loss to the depositors in one of the small banks is offset by the greater magnitude of the risk, measured by the number of individuals and the amount of capital affected, in the case of the one large bank. It might be a debatable question whether the injury to the public caused by the failure of the one large bank with its twenty branches, all at the same time involved in a common ruin, might not be even greater than that caused by the failure at different periods of twenty small banks, having, in the aggregate, the same number of depositors and the same amount of capital. In a word, while Mr. Walker succeeds in showing that the degree of safety attained by the Canadian system is so high as to leave little to be desired on that score, he will find it extremely difficult, we think, to show why the degree of safety secured by a properly administered

national system should not be even greater. In another particular, too, Mr. Walker's argument fails, we think, to carry full conviction: Referring to the superiority which Mr. Cannon claims for the national system on the ground of the supervision of the Comptroller's Office, Mr. Walker criticizes the system as involving the invasion by a public official of the confidential relation of customer and banker, a relation which should be as sacred as that of lawyer and client. He then proceeds to show that under the Canadian system the bank inspector and his assistant, in the discharge of their official duties, are required to make a much more rigid inquisition into the accounts and financial standing of every customer than could possibly be made by an officer from the Comptroller's Office. What we are unable to see is why the secrets of the customer should be considered less safe in the keeping of a public official, than in that of one in the employ of the bank. The obligation of honour would surely be as binding in the one case as in the other. The objection of the customer would ordinarily be, we should suppose, to the number of those having knowledge of his affairs, irrespective of their relations to the bank, a relation liable to cease at any moment.

AT most other points Mr. Walker's defence of his position seems to us to be highly successful. Mr. Cannon thinks it doubtful wisdom to assist borrowers in times of financial distress by issuing an unusual amount of bank notes. The reply is triumphant. The ability to assist borrowers does not depend upon the issue of an unusual amount of bank notes, but upon those features of the system which enable it to adjust itself automatically to the wants of particular localities and to special circumstances. A most valuable result of this flexibility is, as Mr. Walker shows in his pamphlet, that it renders the surplus money of communities where the savings exceed the new enterprises available in communities where the new enterprises exceed the savings—for instance in the United States money is in demand in Washington Territory at 12 per cent., while in Boston it is often obtainable for mercantile purposes at 5 per cent. As we have before pointed out this is an invaluable advantage of the Canadian system. The same law holds, moreover, in banking as in other kinds of business enterprise, that, other things being equal, the larger the scale on which the business is carried on, the capital being adequate, and the more perfect the subdivision of labour thus made possible, the more efficiently and economically can the work be done. Mr. Walker virtually stands on this unassailable principle when he points out that one of the greatest advantages of the branch system is that, in Canada, bank officials, from the junior clerk to the general manager, are as rigidly trained in their business as a lawyer is in his profession, and that every officer of a given bank, throughout all its branches, is trained in the same system and has a knowledge of the bank's experience in the past, as well as a wide range of personal experience from being constantly moved from office to office. As to the danger of monopoly, which is the most serious objection to these colossal concerns, and which has, in fact, been urged by an American writer as a vice of the Canadian system of banking, Mr. Walker shows clearly that it does not exist in this case. The capital required is necessarily large, as security for the notes issued, but the minimum amount required—\$250,000 paid in, and \$500,000 subscribed before a bank can begin business—is certainly, as he says, not large enough to make monopoly possible. Of this the number of independent banks doing business in Canada affords a most practical proof.

CLOSE corporations of all kinds are as a rule objectionable in principle and alien to the free soil of this western world. Close corporations created by legislation and subsidized from the public funds, seem specially repugnant to the genius of Canadian liberty, and unsuited to its democratic institutions. But when such a corporation is created in the sacred names of science and literature, and not only special privileges but public funds are entrusted to the keeping of a select few and those whom that few may from time to time choose to fill vacant places, it would seem that the acme of the objectionable in this kind of un-Canadian class legislation had been reached. Hence, with all due respect for the few really eminent members, and the

few really useful achievements of the "Royal Society of Canada," we have never been able to follow with any degree of enthusiasm the meagre reports of its annual meetings. If any practical proof were needed of the sectional tendencies inseparable from the workings of such a society, especially when its meetings are held from year to year in the same place, it would be found in the published list of members in attendance at the annual meeting in Ottawa last week. Far be it from us to speak with anything but sincere respect of the transactions of a body which, however small its numbers, has on its roll of members present such names as Abbé Casgrain, Principal Grant, J. G. Bourinot, Sandford Fleming, Sir William Dawson, etc. But there surely is something incongruous in adding the words "of Canada" to the name of a society whose annual meeting can bring scarcely a representative from a place further east than Quebec, or further west than Kingston, and whose business, including the filling of vacancies in membership, is transacted by a body more than half of whom are resident in a single city. But enough of fault-finding. When, however, we would come to consider the work of the Society at this meeting on its merits, we are met with the difficulty that we have no adequate means of judging of those merits save by the titles of the papers and the reputations of their readers. The President, Abbé Casgrain, whose address seems to have been truly eloquent, whether the views it expressed will pass muster in the Scientific Section or not, made a large claim for the nine years' work of the Society, when he declared that "in every science the Royal Society has made its mark by works which will not be forgotten." Principal Grant's theme, "The Birth of a Sister Dominion," whether suitable or not for the platform of such a Society, was hardly such as to afford the best field for the play of his fine literary abilities. Several of the papers in the different sections must, if we may judge by their titles, have been both interesting and appropriate, e.g., Dr. Patterson's on "Early Portuguese Explorations in America," Dr. Bourinot's on "Canadian Studies in Comparative Politics," M. Alphonz Gagnon's on "The Scandinavians in America," and several others. It is useless, however, to attempt to judge of the contents of sealed packages by their labels. We can but hope, for the sake of the Society's future usefulness, that the counsels of those of its members who favour annual migration may prevail, and that, as it grows older, it may see its way clear to cast aside its crutches, pull down its fences, and go forth to do its work and find its guerdon in the bracing Canadian atmosphere unfettered by State aid or adventitious distinctions of any kind.

IT is a matter of public notoriety that the number of victims of the habitual use of narcotics of all kinds, especially alcoholic, is very large and constantly increasing. Such is the deplorable but, it is to be feared, only too true statement on which the Toronto Sanatorium Association, whose Prospectus is before us, bases an appeal to the public to complete the subscription to its capital stock of \$50,000. The Joint Stock Company, which has been chartered under the above title, has on its list of officers and directors the names of well-known and influential citizens. Alderman Gillespie is President; Hon. Charles Drury, and B. Homer Dixon, Esq., are its Vice-Presidents, and the names of the other officers are all such as to warrant the fullest confidence in the ability and integrity of the management. The object of the Association is "to make suitable provision for the care and treatment of the unhappy subjects of narco-mania, or persons who are suffering from the terrible enslavement of alcohol, opium, morphine, cocaine, chloral and kindred narcotics." That the City of Toronto, with a population of 180,000, and rapidly increasing, has no institution for the special treatment of this form of malady, will be regarded by all who have given thought to the subject, and know anything of the terrible effects of this species of disease—for such it unquestionably is in its development, however self-inflicted—as a sufficient reason for the existence and work of the Association. Some well-meaning and even philanthropic persons, we are aware, take exception to institutions of this kind on the broad ground that prevention is better than cure, and that it is worse than folly to make expensive arrangements for the cure of maladies while leaving