

country with a scattered population, imperfect means of distribution, and little wealth apart from fixed property—a country, indeed, requiring to borrow largely from older and wealthier communities.

Again, if in any country banking has been left to develop itself in accordance alone with the requirements of trade, or nearly so, that country has been fortunate in this respect as compared with others, where the national debt, caused by war or extravagances in public works, has been made the basis of the currency. Sometimes, however, the condition of the present environment in two countries may be in many respects similar, and yet a practice in banking which has worked out desirable results in one of these countries cannot be attempted in the other. The body of banking principles in the other country may be so different, because of hereditary influences, as to make it impossible by any kind of evolution to add the practice which has proved so serviceable elsewhere.

I am aware that there is nothing new in this point of view, but in attempting to speak on the subject of banking in Canada, I cannot avoid comparison with this great country where banking systems are being keenly discussed, and where it is admitted that changes, perhaps of a radical nature, are necessary. In contending for the comparative perfection of the Canadian system I do not wish to be understood as asserting that the points of superiority in our system could be adopted here. For over half a century banking in the United States has been following lines of development opposed in many respects to the Canadian system, and it may well be that no matter how desirable, it is too late to adopt our practices.

My main object, however, is to describe the banking of Canada, and to demonstrate, if I can, its suitability to the requirements of trade in that country and not its suitability elsewhere.

#### **BANK CHARTERS.**

It has been occasionally urged by writers in financial journals published in the United States, that banking in Canada is a monopoly, and therefore unsuited to the democratic principles of this country. These writers have overlooked the fact that the