

with risk of loss, unless the banks whose notes were to be taken were carefully selected. But specie would require to be collected and sent over from the Canadian and American banks chiefly when its own notes, given in exchange for these, began to reach the London office for redemption.

Even supposing that the various Canadian and American banks should promptly meet the demands for specie, and in such form as would be of sterling value in London, the bank would very soon enjoy a monopoly of the risk and expense of sending bullion across the Atlantic to balance the whole of the American exchanges, and this without the slightest compensation other than the proud consciousness of being able to accomplish the self-imposed task.

The only possible source of profit to the bank would be the interest on such advances as might be made to the Provincial Governments in Canada, and, owing to the nature of the exchanges, these advances, though issued in notes, would be speedily converted into loans of specie.

The radical weakness of Galt's scheme, which was much the same as that of Forbes, would have been sufficient to prevent its practical adoption, even had the Government been quite through with its own plans.

Shortly after his arrival in Canada Mr. Galt was so unfortunate as to outrage the feelings of the Family Compact and ruin his prospects in Canadian official life by showing some civility to Mackenzie and the radicals. Whether the radicals borrowed from Galt the idea of enlisting the Bank of England in the work of Canadian banking and exchange, or whether they developed the idea for themselves, yet, as a matter of fact, at this time and for some years afterwards, they indulged the conviction that the Bank of England could be induced to establish one or more branches in Canada.

In January 1829, Mr. Dalton, the radical, in the House of Assembly of Upper Canada, moved a series of resolutions on commerce and agriculture, the objects of which were to free the country from the monopoly of the China trade, then held by the East India Company, and to increase the capital of the country by petitioning the home Government to induce the Bank of England to establish a branch in Montreal.