

### THE MERCHANTS BANK OF CANADA—Continued.

garded as unduly flattering, and I may pertinently add that in so far as I can ascertain, he has the full support of a loyal and efficient staff. As President of the Bank I may say that his work has given me and the Directors every satisfaction and confidence for the future of the Bank, and I am sure that you will all agree with me that in Mr. Macarow we have found a very efficient man as General Manager." (Applause.)

On motion of Messrs. John Patterson and S. M. Baylis, a vote of thanks was tendered the General Manager and Staff, which was briefly acknowledged by Mr. Macarow, who said that while he fully appreciated the kind, over-kind,

references to himself, it was not affectation on his part to disclaim any measure of special credit for the progress shown; rather was it due to co-operative effort all along the line, extending from the Chairman of the Board to the junior clerk in the smallest office. The benefit of

that intensive co-operation was recognized and acknowledged by none more than by himself.

This concluded the business of the meeting, which then adjourned.

At a subsequent special meeting of the Directors, Sir H. Montagu Allan was re-elected President and Mr. K. W. Blackwell Vice-President.

### THE CANADIAN BANK ACT.

(Sixth Article.)

#### The Bank Note.

Much of the prosperity of a country depends upon its currency system, and in these days particularly, will domestic currency play a most important part in equipping commerce for the keen competition which will characterize after-war period, what we call, without quite realizing the true significance of the words, "the world's markets."

The first requisite of a currency is, of course, its negotiability, and the greater area of this negotiability, other things being equal, the greater its value to the nation using it. In this respect Canada occupies a most fortunate position. Her currency is virtually the currency of the English-speaking races, the sovereign and the eagle. But more important still, she has built upon this foundation of British and United States gold coins a paper currency which, for elasticity and economy, is probably unrivalled.

It is their bank-note system of which Canadians have been justly proud. It has been slowly elaborated by years of experience, has escaped being mutilated for political or government purposes, and stands to-day perhaps the most economic and elastic currency in the world, while its security may be said to be unimpeachable. It is to the credit of Canadians that so far all questions connected with trade, except the tariff, have been dealt with by the Government, or, at least, by Parliament in a non-partisan spirit. It cannot be denied that once in a while an impecunious government has tried to capture the profits of the bank-note circulation. It is taxed, and an endeavour was made to take it over altogether, but the latter move was easily thwarted, for the public knows fairly well when it has "a good thing," and no government can long defy the public.

The Act of 1880 made the bank-note a first claim upon the assets of a failed bank, and the Act of 1890 went a step farther, and added secu-

rity to security by calling for the Circulation Redemption Fund, which lies in the hands of the government and is liable for the redemption of any notes that a bank is itself unable to redeem.

The formation of the Circulation Redemption Fund was probably due to a compromise. It is perhaps not just, but it is not likely to be done away with. It carries three per cent. interest paid to all the contributory banks, in their proper proportion, and in that respect is no burden upon them. In one respect, especially, since the formation of the Canadian Bankers' Association, it has had a salutary effect upon the banking community. The big banks, as they are called, have taken more interest in the conduct of the small banks. Indeed, we think that the existence of this fund and the provisions surrounding it, have been the means of originating a movement in Canadian banking in the direction of mutual supervision and assistance, which is none the less important and valuable because the general public is scarcely cognizant of it.

Before concluding this article on the Bank Note, it may not be out of place to call attention to the advantages to be derived from the adoption of a uniform bank-note for all banks, the name of the bank alone to be altered. As it is, bank tellers and business men in general are confronted by a condition of affairs resembling pilotage on the Mississippi, as described by Mark Twain. They must be acquainted with the peculiarities of scores of bank-notes of different design, for not only has every bank a different note from the others, but frequently, if not generally, a different design, according to denomination. And just as soon as a person gets familiar with these, one or more of the banks is sure to issue a new note, and thus the danger of a counterfeit or raised note being passed is multiplied.

Were a uniform bank note to be adopted, it would be easy to make it practically beyond illegal reproduction. It might be printed in colours, to defy photography, on special paper, and the engraving might be beyond rivalry, and it would tend to harmonize the bank-note with the other notes of the country, on a Dominion scale.