

solidity in our banking institutions by compelling associations seeking bank charters to have, before they can obtain a charter, a capital of at least \$250,000 paid up and deposited with the Government. In the case of solvent banks a uniform face value is secured through mutual agreement. In the case of insolvent banks, the notes are to be redeemed by means of a fund called the Bank Circulation Redemption Fund, obtained by the deposit (drawing 3 per cent interest) of 5 per cent of the average bank note circulation, with the Government. From this the insolvent banks pay their notes with 6 per cent interest until notice of liquidation is published.

The amount held in trust by the Dominion Government for the Bank Circulation Redemption Fund on the 30th June, 1893, was \$942,879.

826. There were thirty-nine banks making returns to the Government on 1st January, 1893. Ten had headquarters in Ontario, fourteen in Quebec, eight in Nova Scotia, three in New Brunswick, two in Prince Edward Island, and one each in Manitoba and British Columbia.

827. The feature of banking in Canada is the branches. Mr. Walker, General Manager of the Canadian Bank of Commerce, in a brochure on the Canadian system of banking remarks: "In a country where the money accumulated each year by the people's savings does not exceed the money required for new business ventures it is plain that the system of banking which most completely gathers up these savings and places them at the disposal of the borrowers, is the best. It is to be remembered that this involves the savings of one slow-going community being applied to another community where the enterprise is out of proportion to the money at command in that locality. Now, in Canada with its great banks with thirty and forty branches, we see the deposits of the saving classes applied directly to the country's new enterprises in a manner nearly perfect. The Bank of Montreal borrows money from depositors at Halifax and many points in the Maritime Provinces, where the savings largely exceed the new enterprises and it lends money in Vancouver or in the North-west, where the new enterprises far exceed the people's savings. In what other country is such a splendid development of banking to be seen as that involved in transferring the idle money of the Atlantic towns and cities to the new centres of enterprise on the Pacific? My own bank,* in the same manner, gathers deposits in the quiet, unenterprising parts of Ontario.

*Canadian Bank of Commerce, Toronto.