

THE PLACE OF THE BANKS IN CANADIAN HISTORY

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III. In the years following 1837 the political supremacy of the Family Compact disappeared, and the era of responsible government dawned. In this new period the banks came to play a much less conspicuous place in political history. They ceased to be identified with political parties, and they devoted themselves to their proper commercial functions. This does not mean, however, that they have not at times exerted a profound influence on the course of government. Consider, for example, their influence on the currency legislation of the country. At repeated intervals in Canadian history the government has dallied with the idea of arrogating to itself the monopoly of the issue of bank notes. Lord Sydenham in 1841, Sir Alexander Gait in 1859, and Sir Leonard Tilley in 1890 all proposed, in language which has often been heard, that the government should resume the function of note-issue which, it was said, had delegated to others. Of course, there is nothing to prevent any government from taking over the business of banking, just as there is nothing to prevent it from taking over the business of making boots and shoes; though it should be observed that socialism in the making of boots and shoes would probably be far less disastrous than socialism in banking. But that the government has any inherent right or prerogative in regard to the issuing of notes is a fallacy. It is a fallacy which results from a confusion of thought between the minting of money, which is a very proper and necessary function of government, and the issuing of notes, which are not, properly speaking, money at all, but merely promises to pay, like cheques and drafts. A government has no more right to a monopoly of the issue of bank-notes than it has to a monopoly of the issue of cheques and drafts, or any other kind of commercial paper; and the banks of Canada, by fighting every such proposal, have contributed very much to the soundness of Canadian currency legislation. They have not won a victory all alone, the line for the Canadian government has succeeded in arrogating to itself the issue of the smaller denominations of notes; but they have helped to prevent a complete monopoly.

Another way in which the influence of the banks made itself felt was in the adoption, prior to Confederation, of the decimal currency in preference to pounds, shillings, and pence. For many years the standard money of account in British North America had been that which was known as the Halifax currency, or in Upper Canada the York currency. This was a currency in pounds, shillings, and pence which did not correspond with any existing coinage. It was merely a money of account, and every one of the numerous and various coins which passed current—English sovereigns, American dollars, French crowns, Spanish "pieces of eight," and so forth—had to be translated into it. Before Confederation the banks all over British North America agreed to do business in dollars and cents, and in this way they helped to compel the various colonial governments to adopt a decimal currency. In this development, at work which helped to bring about the union of British North America in 1867.

The most striking exemplification, however, of the part which the banks have played in Canadian history is to be found in the period of the Great War. It is not too much to say that, if it had not been for the co-operation of the banks with the Canadian government, the situation in Canada at the outbreak of the war would have been of the most critical nature. By the morning of that fateful Monday, August 3, 1914, there had begun, as you may remember, "runs" on the gold of banks all over Canada. Sir Thomas White, in a most interesting and important pamphlet which he published about a year ago, entitled "The Story of Canada's War Finance," tells of a case which occurred in Toronto. He says:—

"One case was reported to me from a Toronto bank. One of its best customers, a prominent citizen of Toronto, who had a deposit of over a quarter of a million dollars, called upon the general manager and informed him that he felt he must, in justice to himself and his family, withdraw the full amount in gold, as he believed there would be a financial panic in which the banks would have to close their doors. The man insisted, and received his gold, which he locked up in his safe deposit vault. In order to avert the calamity which was impending, a conference was held at Ottawa between the minister of finance, Sir Thomas White, and the leading members of the Canadian Bankers Association—just as, about the same time, a conference was being

held in London between the Chancellor of the Exchequer, Mr. Lloyd George, and the leading financial experts of Great Britain. Both conferences met in an atmosphere of panic. The Canadian bankers, says Sir Thomas White, "were quite disturbed at the spread of the financial panic throughout Canada and the runs which were taking place throughout the Dominion and of which they were continually hearing word. They had numerous suggestions to make as to what should be done. My friend Professor Fay tells me—on the authority, I understand, of Mr. J. M. Keynes, the author of "The Economic Consequences of the Peace"—that similar consternation prevailed at first at the conference in London, some people proposing one thing, some another, and some throwing up their hands and saying there was nothing that could be done, until it was suddenly observed that the Governor of the Bank of England had fallen asleep at the head of the table and was gently snoring. This spectacle had the effect of immediately restoring confidence; if the Governor of the Bank of England could go to sleep on such an occasion, then obviously things could not be as black as they were painted. The conference pulled itself together, suggestions were exchanged, and finally the measures were agreed upon which enabled Great Britain to survive the crisis. History does not record that any of the leading members of the Canadian Bankers Association fell asleep on that August afternoon in Ottawa in 1914; but there too, after the first confusion of council, measures were finally agreed upon. Chief of these measures was the making of bank-notes legal-tenders, so that the banks could pay out notes instead of gold. These measures were embodied in an order-in-council issued that evening and published broadcast in the newspapers the following morning, August 4, the day on which war was declared. Now it is a remarkable fact that all the measures adopted were directly contrary to law. The order-in-council was legally of no validity. If anyone had thought of questioning it, neither the government nor the banks would have had a leg to stand on—at any rate, until parliament met and passed ratifying legislation. But the co-operation of the banks and the government so impressed the public that, as a matter of fact, the order-in-council was not questioned. The run on the banks came to an end, and the situation was saved.

Another way in which the banks co-operated with the government during the war was in regard to the floating of the Victory Loan. Probably no banking system in the world was better adapted to serve as a medium for the handling of subscriptions to a government loan than the Canadian banks, with its wide-spread system of branch banks. The success of the Victory Loans was one of the most phenomenal things in connection with the whole of Canada's war effort. Before the war a loan of fifty millions had been regarded as a very large loan even for the government to attempt to float. The three Victory Loans by themselves netted a total of 1,700 millions, something that no one had ever dreamed would be possible. In the floating of these loans the banks played a vital part, and for their success they deserve their fair share of the credit.

Finally, in the period of reconstruction and adjustment through which we have been, and are still, passing, the banks in Canada have been a steady influence, to an extent which perhaps the general public does not always realize.

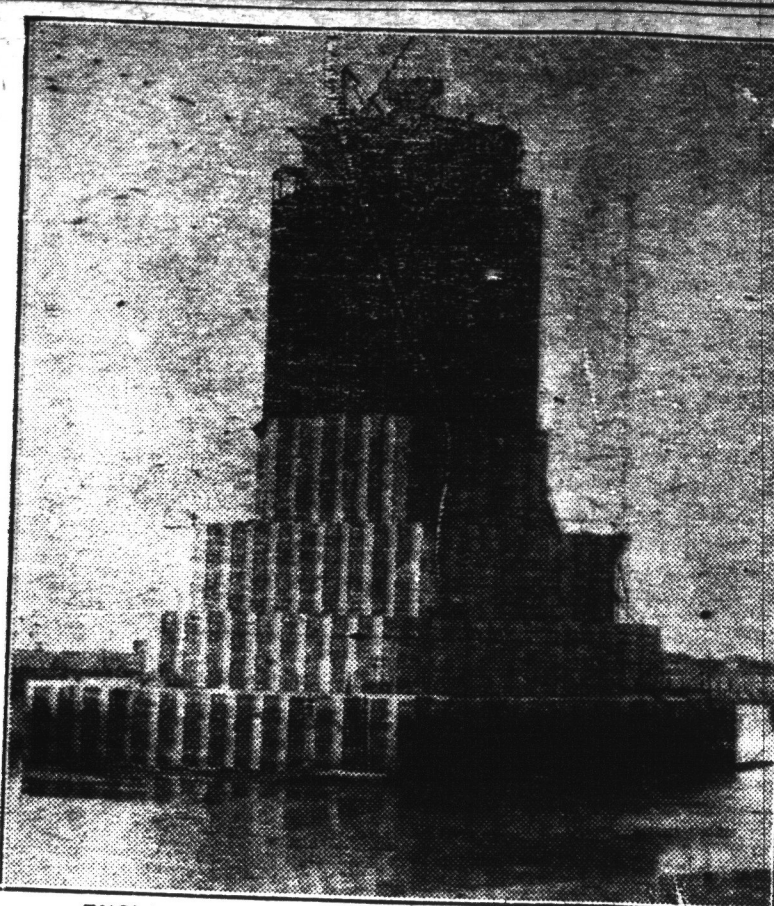
Her Majesty to Place Wreaths in War Cemeteries.

A despatch from London says: Queen Mary is planning to place a massive wreath in each of the British military cemeteries in Flanders and France in behalf of the women of England when she and the King visit the King and Queen of the Belgians early next month.

The two royal couples plan an extensive tour of the battle grounds because of the long cherished desire of Queen Mary to go personally to the sacred shrines. She is particularly anxious to visit Ypres, Arras, the Somme, Bethune and Armentieres. The visit is in return for the visit the King and Queen of the Belgians made here last year. King George and the Queen will be gone a week.

Lien on the Pay. She had received his gift of flowers with rapture. "Oh, they are perfectly lovely!" she exclaimed. "And there's even a little dew on them still."

"Eryes," he stammered, "there's a little, but I intended to pay it on Saturday night."



ENGLAND'S "MYSTERY TOWER" TO BE SCRAPPED. Known as the "mystery tower" of Shoreham, this huge structure was built during the war at a cost of over \$5,000,000, but was never used. It is now to be scrapped. Its purpose has given rise to much speculation, but it is a closely guarded secret of the British Admiralty. Its destruction will leave for salvage only a few steel girders.

Canada From Coast to Coast

Charlottetown, P.E.I.—The Federal housing scheme is at present engaging the attention of the Island's cities and towns, and it is probable that provincial legislation will be enacted to qualify for the Federal loan. An endeavor is being made to ascertain the number of people interested in having houses constructed after their own ideas and plans with Federal aid, and provincial legislation will be governed largely by the number of requests.

Halifax, N.S.—Interest is being evinced by Henry Ford in a scheme for the establishment of an assembling plant in the Maritime Provinces for foreign trade, according to the Halifax Mail. The Mail gives as the reason for the establishing of the plant the fact that in the month of December 20,000 automobiles were shipped by the Ford Company from Halifax to Australia.

Fredericton, N.B.—The sale of New Brunswick's angling rights this year brought a revenue to the province of \$22,665. This is an increase over the proceeds for the previous year's sales despite the fact that no bid was received for three valuable salmon stretches.

Three Rivers, Que.—Pulp and paper companies in this district appear to be working to capacity. The Wayagmac macmillan concern is now working seven days a week and the St. Maurice Paper Company has sufficient orders to keep its plant going to full capacity until November.

Cochrane, Ont.—It is estimated that in the decade's history of mining in Northern Ontario, the various mines have contributed more than \$750,000,000 to the wealth of Ontario.

Winnipeg, Man.—Should support be obtained for the project from growers located in adjacent municipalities, a vegetable canning factory will be erected and operated in Winnipeg this year, according to one of the promoters of the enterprise. It is estimated the cannery would be able to handle the first year the crop from 400 acres of peas, 100 acres of corn, and a large acreage of wax beans, cauliflower, and cabbage.

Regina, Sask.—The sum of \$20,000 on furs taken by trappers in Saskatchewan last year. Royalties of this kind have never before been collected in this province, and it was at the last session of the legislature that power was given to collect these tolls. An equal or increasing sum is expected to be derived from this source annually.

Calgary, Alta.—To provide a highway from Calgary to Banff, in the heart of the Rockies, is a movement that has been initiated here, and if the plans formulated are consummated, ice-land poppies will line the scenic highway to the mountains in countless thousands. Many clubs are co-operating in the movement, and it is proposed on one day towards the end of April to utilize 50 cars each containing four men, to prepare the soil and do the planting, one car being located to each mile of road.

Victoria, B.C.—An organization to build up the Victoria and surrounding district jam trade is now being organized. The Beach-Esking Company, with a capital of \$50,000, will manufacture the highest grades of jam and fruit pulp. There is, it is claimed, a large market in Great Britain for the latter product. The new plant will be in full operation by the beginning of the fruit season.

Ship Conveying Gifts Resembles Noah's Ark. A despatch from London says: The steamship Oevim is tied up at the Royal Albert Docks with a few choice presents given to the Prince of Wales during his tour of India. They include a leopard cat, a rhinoceros, a sambar deer, sheep, foxes and leopards. The collection is being removed to the zoo with other similar testimonials of friendship still to come.

WHERE TURKEY AND EUROPE NOW MEET. The heavy black line shows the zone around the Dardanelles which would be demilitarized under the terms modifying the Sevres treaty with Turkey, now proposed by the Allied Foreign Ministers. Greece would keep nationalized straits. Turkey would retain part of Thrace and would hold Constantinople, which would be demilitarized, and would also retain Asia Minor, including Smyrna, now held by Greece.

JAPAN WELCOMES THE PRINCE OF WALES

Thousands Greet H. R. H. When He Lands at Yokohama.

A despatch from Yokohama says: The Prince of Wales arrived here Wednesday for his official visit to Japan. Thousands greeted him as he landed from the British battle cruiser Renown, which brought him from India.

His reception was carried out according to the program, to the minutest detail, as is the Japanese custom. Yokohama's welcome was not noisy, as the children who lined the streets are disciplined to silence, but the picture they made with their thousands of waving flags in the brilliant sunshine could scarcely be paralleled.

The Renown was escorted in from sea by the Japanese light cruiser division, and in the bay six battleships, including the famous Mutsu, joined the escort. As the vessels entered the harbor there was a roar of guns and a shrieking of sirens. Every class of society was represented in the crowds on the wharves.

The Prince was conveyed from Yokohama to Tokio in a special train, three coaches of which were especially built for his visit. On arrival there he was driven in an open carriage, escorted by cavalry, to the Imperial Palace, where he was received by the Empress. Later he will reside while in Tokio.

Crowds greeted the royal visitor at the railway station and cheered him along the route to the palace, over which triumphal arches had been erected.

Except for the priceless objects of art, the Prince found little in the heretofore unoccupied Akasaka Palace to remind him that he was in the centre of Tokio. His apartments are like a modern hotel suite, and the fittings include even a barber's chair of American make, especially installed.

The Akasaka Palace adjoins the residence of the Prince Hirohito, now the Regent. The grounds about the palace are most beautiful and at this time of the year present a profusion of cherry blossoms.

Two Royal Yachts Taken Over by Lascelles

A despatch from London says: Viscount Lascelles is reported to be planning to take over the royal yacht Alexandra which is being disposed of as a measure of national economy. It is expected he will also commission the racer Britannia, which for years has been the King's pride during the yacht racing season, but which he has decided not to sail this year because of the expense.

The disposal of the Alexandra was recommended by the Geddes economy committee as it would save some \$100,000 annual cost of upkeep. The other royal yacht, the Victoria and Albert, is to be laid up during the winter months.

PROBLEMS DISCUSSED BY 600 DELEGATES AT GENOA CONFERENCE

Thirty-three nations represented by 600 delegates, Japanese and others, have gathered at Genoa to discuss these points: Some other plan. This will follow the principles outlined at Genoa by the Supreme Council's resolution, which made the present conference possible. European peace, with the closest possible quantity of armaments of both arms and inviolability of frontiers. Financial problems arising from the inability of Germany to pay the reparations demanded and the interrelated imbalances. This will include consideration of the financial standing of Russia and the status created by the Versailles Treaty.

General economic questions, such as customs barriers, transportation and the rights of private property and industry. The complete list of the countries taking part in these discussions, together with the size of their delegations, follows:

Albania	4
Austria	14
Austria	14
Belgium	14
Bulgaria	15
Canada	30
Czechoslovakia	30
Denmark	10
Ethiopia	25
France	7
Germany	80
Great Britain	128
Greece	22
Holland	16
Hungary	7
Ireland	4
Italy	14
Japan	6
Japan-Slavia	6
Lithuania	14
Luxembourg	15
New Zealand	30
Norway	10
Poland	25
Portugal	25
Romania	7
Russia	80
San Marino	2
South Africa	4
Spain	22
Sweden	16
Switzerland	7

It Can't Be Done

Nothing worth while was ever accomplished from the building of the Ark to the digging of a subway for the floating of a bridge across a river, without a cry uprising, "It can't be done!" The bigger the thing to be done, the bigger is the preparatory uproar. Propose whatever you please, and there will be many to inform you that it is quite impossible.

The whole history of invention is the story of those who faced and overcame not simply the odds that nature and the disbelief of people. Every single new idea that has succeeded to be worth anything has met with a resistance varying from mild opposition to positive ferocity. Every pioneer, striking out on new paths, has been given to understand, in language polite or rude, that he was a fool. He has been assailed by those who showed to their own complete satisfaction that what he suggested was perfectly ridiculous.

When he has done what they told him he couldn't do, the unbelievers as a rule were nowhere to be found. Some of them had changed themselves into money claimants for the benefit of all that they had formerly said and done. The rest, as a rule, were there to praise and applaud. There is nothing in the man who, having accepted his victory, is not in a little at heart to hear that he is not so great as he thought he was. He is not so great as he thought he was. He is not so great as he thought he was. He is not so great as he thought he was.

A Flag for the Free State.

What flag will Ireland adopt now that it forms a free state? Here is a question worth studying. The golden harp on the green ground is a beautiful emblem, but not quite exact. It should have silver cords and stand out against a blue field. Numerous are the other symbols suggested—the St. Patrick cross, the sea horse of Mananán, the wolf, the round tower, the shamrock, the Celtic cross and many more.

Weekly Market Report

Toronto.	
Manitoba wheat—No. 1 Northern.	\$1.51 1/2.
Manitoba oats—No. 2 CW, 60 1/2c.	56 1/2c.
Manitoba barley—Nominal.	
All the above track, Bay ports.	
American corn—No. 2 yellow, 75 1/2c.	
No. 3 yellow, 74 1/2c, all rail.	
Barley—No. 3 extra, test 47 lbs. or better, 63 to 66c, according to freight.	
Feed barley, 60c.	
Buckwheat—No. 3, 98c to \$1.02.	
Rye—No. 2, 95c to \$1.	
Millfeed—Del. Montreal freight, bags included: Bran, per ton, \$28 to \$30; shorts, per ton, \$30 to \$32; good feed, flour, \$1.70 to \$1.80.	
Baled hay—Track, Toronto, per ton, extra No. 2, \$22 to \$23; mixed, \$18 to \$19; clover, \$14 to \$18.	
Straw—Car lots, per ton, track, Toronto, \$12 to \$13.	
Ontario wheat—No. 1 commercial, \$1.30 to \$1.43, outside.	
Ontario No. 3 oats, 40 to 45c, outside.	
Ontario corn—53 to 60c, outside.	
Ontario flour—1st pats., in cotton sacks, 98's, \$8.20 per bbl.; 2nd pats., (bakers), \$7.20. Straights, in bulk, seaboard, \$6.40.	
Manitoba flour—1st pats., in cotton sacks, \$8.70 per bbl.; 2nd pats., \$8.20. Outside, large, 20 to 20 1/2c; twins, 20 1/2 to 21c; triplets, 21 to 21 1/2c. Fodder, choice, large, 18 1/2c to 20c; large, 25 to 26c; twins, 25 1/2 to 26c; triplets, 26 to 27c; Stultons, 24 to 25c.	
Butter—Fresh dairy, choice, 26 to 30c; creamery, prints, fresh, finest, 44 to 46c; No. 1, 43 to 44c; No. 2, 40 to 41c; cooking, 22 to 25c.	
Dressed poultry—Spring chickens, 30 to 35c; roasters, 20 to 25c; fowl, 24 to 30c; ducks, 35c; turkeys, 45 to 50c.	
Live poultry—Spring chickens, 22 to 28c; roasters, 17 to 20c; fowl, 24 to 30c; ducks, 35c; turkeys, 45 to 50c; geese, 20c.	
Margarine—20 to 22c.	
Eggs—New laid, candled, 32c; new laid, in cartons, 35c.	
Beans—Can. hand-picked, bushel, \$4.40, prime; \$2.80 to \$4.	
Maple products—Syrup, per 4mp. gal., \$2.25; per 5 imp. gals., \$2.15; Maple sugar, lb., 18c.	
Honey—60-70-lb. tins, 14 1/2 to 15c per lb.; 5-2 1/2-lb. tins, 17 1/2 to 18c per lb.; com. honey, per doz., \$5.50.	
Potatoes—Ontario, 90-lb. bag, \$1.35; Quebec, \$1.50. Seed potatoes, Irish Cobblers, \$1.75 a bag.	
Smoked meats—Hams, med., 32 to 34c; cooked ham, 47 to 50c; smoked 32c; breakfast bacon, 29 to 33c; special brand breakfast bacon, 37 to 40c; backs, boneless, 36 to 41c.	
Cured meats—Long clear bacon, \$17.50 to \$19; clear bellies, \$18.50 to \$20.50; lightweight rolls, \$47; heavy weight rolls, \$41.	
Lard—Pats., tierces, 16 1/2 to 17c; tubs, 17 to 17 1/2c; pails, 17 1/2 to 18c; 15 to 15 1/2c; prints, 17 1/2 to 18c.	
Butter steers, choice, \$7.50 to \$8.25; do, com., \$5.25 to \$5; butcher heifers, choice, \$7 to \$7.75; do, med., \$6.25 to \$6.75; do, com., \$5 to \$5.75; butchers, cow, \$3.50 to \$3; canners good, \$4.50 to \$5.50; do, com., \$3 to \$4; feeders, good, \$6.50 to \$7; do, fair, \$5.50 to \$6; stockers, good, \$6 to \$6.50; do, fair, \$5 to \$5.50; milkers, \$30 to \$35; springers, \$40 to \$80; calves, 25 to 26c; choice, \$10 to \$12.50; do, med., \$7 to \$8; do, com., \$4 to \$5; lambs, \$14 to \$15; do, com., \$6 to \$7; sheep, \$11 to \$14; sheep, choice, \$9 to \$10; do, good, \$6 to \$7; do, com., \$3 to \$5; hogs, fed and watered, \$14; do, F.O.B., \$13.25; do, country points, \$13.	
Oats—Can. West. No. 2, 63c; No. 3, 59c. Flour—Man. spring wheat pat. 1st, \$8.50. Rolled oats—Bags, 90 lbs., \$3. Bran, \$32.50. Shorts, \$29. Hay—No. 2, per ton, car lots, \$29 to \$30.	
Cheese—Finest westerns, 16 1/2 to 16c. Butter—Choice creamery, 40 to 41c. Eggs—Selected, 34c. Potatoes—Per bag, car lots, 80 to 85c.	



"I'M LEARNIN' HOW TO WRITE WITH AN AN REAL INK! MAYBE THAT AINT HARD! GOSH!"

"IF YOU THINK THAT'S HARD WHAT MUST IT HAVE BEEN FIVE THOUSAND YEARS AGO WHEN THEY HADDA WRITE ON STONE!"

"IF YOU ONLY WANTED TO SAY A COUPLE WORDS YOU HADDA GET A STONE THAT BIG TO WRITE IT ON!"

"I GUESS YOU HADDA HAVE AN ELEPHANT TO CARRY YOUR BOOKS TO SCHOOL IN THOSE DAYS"

Canadian Science Asks Questions

Among the important investigations, over thirty in number, which have been or are now being carried out by the Council for Scientific and Industrial Research at Ottawa are: fog signalling; materials for the use of high voltage electric currents; vanadium ores, vitamins, the content of cream and butter, efficient methods of domestic heating, utilization of fish waste, the production and liquefaction of helium, far infrared dust in interstellar space, and industrial gas analysis.