

ing operations in Ontario and Quebec. The banking capital of those Provinces was \$30,000,000; the average of gold held by the banks was \$9,000,000; the average of Government securities was \$6,000,000 at 5 and 6 per cent. interest, together \$15,000,000. The banks would still have \$15,000,000 of their capital left. The result of the present arrangement is to give the stockholders of Ontario and Quebec \$2,460,000, but the new arrangement proposed by the Finance Minister would give them \$2,570,000, a gain of \$110,000. If the Government securities were issued at 6, instead of 5 per cent., the comparison would be still more favorable. Then as to the accommodation to be given to the public; at present the aggregate stock was \$30,000,000 gold and Government securities \$15,000,000, leaving \$15,000,000 stock and \$15,000,000 paper, on which the banks could give accommodation under the present law. Under the proposal of the Minister of Finance there would be \$30,000,000 of capital, \$41,000,000 of gold, and \$15,000,000 of stock, leaving \$11,000,000 of stock for discount and \$15,000,000 of paper, or in all \$26,000,000. This made a difference of \$4,000,000 only under the operation of the resolution. He did not think the banks would suffer materially from the change.

Mr. Rose defended the scheme and argued the necessity of proceeding with it. The signatures to the petitions had been obtained by the banks and bank clerks. He referred warmly to the opposition of the banks to the government. We had, he said, three different systems of banking, in operation, and members preferred that in their own respective Provinces. In reply to Mr. Cartwright he said that at the time of the failure of the Bank of Upper Canada, it had \$800,000 circulation, and only \$39,000 reserve, and the Commercial Bank, at the time of its failure, had a circulation of about \$1,100,000. He denied that the failure of the Bank was caused by the distrust of depositors, and took the case of the Royal Canadian Bank as an illustration. In January its circulation was \$1,534,000. In April it had fallen to \$993,000, and when it closed its doors the circulation had decreased to \$800,000. The St. John Commercial Bank had, when it failed, a circulation of \$300,000 and only a reserve of \$41,000. These failures were most serious disasters to the commercial prosperity of the country. He would call attention to the importance reserves have to circulation, as showing the tendency of the present system of diminishing the amount of deposit. In 1865, the lowest per centage of reserve was 16, the highest 43; in 1866, the lowest 14 per cent, the highest 29; in 1867, the lowest 14, the highest 22; in 1868, the lowest 15, the highest 26 per cent—showing a continual diminution of reserves in proportion to circulation. He contended that the change would not give the Government any new political power; and replied at length to the objections raised by previous speakers.

Hon. Mr. Galt opposed the resolutions; he pointed out that in various respects Mr. Rose's scheme was not so useful or safe as a direct Government issue of notes and was more expensive. Banks would fail just the same, because they could not by legislation prevent bad management. The principal objection to the scheme was the want of elasticity. He pointed out the injurious effect that would be produced on the trade of Ontario, and urged that delay be granted.

Hon. J. H. Cameron moved an amendment to the amendment as follows: "That this House recognises the great importance of having a uniform system of currency, but inasmuch as immediate uniformity cannot be obtained, it is expedient that the several Bank charters about to expire be extended to such a period as Parliament shall determine."

Mr. Morris seconded this amendment and supported it in a short speech.

Mr. Gibbs opposed the resolutions. The House then adjourned.

ASSIMILATION OF THE CURRENCY.

Mr. Savary brought up this matter in the House of Commons, on the 4th May. Hon. Mr. Rose, in reply, stated the reasons why the Government had felt it to be their duty not to issue any proclamation in accordance with the authority given them by the Act of last Session. At the time the legislation of last session was sought, there was a Bill before the American Congress, which its introducer, Senator Sherman, believed would become law during that session, and which would have had the effect of carrying out the recommendation of the Paris Conference, adopted some months ago in favour of an international assimilation of currency based on the 25 franc piece; and the American five dollar piece the English sovereign being made equal to it. The European Continental Governments had generally given their assent to this project, and our Act of last session authorized this Government also to adopt it, so soon as it should be adopted by the American Government. But since that time an entirely new phase had come over the question, in consequence of the researches by an English Royal Commission which was named about the time this House was last sitting. The enquiries made by that Commission had brought so many important facts under the notice of the European and American Governments, that the state of public opinion had undergone very considerable change with reference to the whole question; in so much so that the American Congress had deferred legislation on the subject, and a new commission had been appointed by the French, and he believed, other Continental Governments, to ascertain whether the statements made by the English Commissioners were or were not founded on fact and logical in their recommendation. The recommendation of the English Commissioners went for a good way in harmony with those of the Paris Conference. They agreed that some one coin should be taken as the standard of a currency which should be uniform among the commercial nations of the world. They agreed that the coin should be gold and not silver, and they agreed that it should be nine-tenths fine, instead of being of the fineness of the English sovereign, which contained only 1-12th alloy. But in the course of their inquiries they had discovered an important fact which materially affected the calculation on which the recommendation of the Paris Conference had been based—that in France there had been a double standard, one of gold and one of silver; that there was a large amount of this silver currency in circulation, bearing a higher proportion in value in gold than it ought to do with gold nine-tenths fine—that a silver franc, for example, was worth a good deal more than one-fifth of a gold five franc piece. This important fact having been disclosed by the English Commissioners, the French Government had caused inquiries to be made with regard to it, and if the fact was found to be as alleged, the whole question would assume a different phase. The English Commissioners, while going with the Paris Conference in the first three steps he had mentioned, recommended as the standard for the proposed international currency the English sovereign instead of the French twenty-five franc piece, as the most convenient for the world at large; and they showed strong reasons indeed for this conclusion at which they had arrived. In the first place, they said the English sovereign had never varied in value from the well known gold value of a pound sterling, by which most of the coin in the world had been regulated. The adoption of any other standard they considered would cause a great deal of inconvenience all the world over. Another reason for adopting the sovereign was, that if the twenty-five franc piece were adopted as the basis, France and the United States would have to call in all their silver coin in order to assimilate it to the gold standard. And these reasons were fortified by another consideration. The English Government had never charged seignorage for gold left at the Mint, but for so many ounces in gold

returned, after so many days, their equivalent in coin; whereas France and the United States, and other countries, did charge seignorage for converting bar gold into current coin. The consequence would be that the many millions of gold now in circulation, which would require to be re-coined, would be all brought to England for that purpose, as the coining would there be done for nothing. The commissioners also recommended that any change should be carried out by means of a convention or treaty, into which the various nations should enter, and suggested a number of matters, such as the remitting of coin which had lost by sweating or use, as to which there must be internal arrangements. He understood that it was now the impression, both in France and the United States, that the recommendation of the English Commissioners had much merit in them, if they should not wholly be accepted, and the English Sovereign adopted as the standard. This would cause very little inconvenience to these countries, for the pound sterling had been practically the standard throughout the world up to the time of the French Revolution, and in the United States during the suspension of specie payments, it was of little consequence what particular coin was taken as the standard, whereas the investigations of the Commissioners had shown that the world at large would be more inconvenienced by changing from the English sovereign than the United States by a change from their five-dollar piece, or France by assimilating her 25 franc piece to the sovereign. Under these circumstances he thought we should submit a little longer to the inconvenience arising from the difference of currency in these Provinces. He hoped we should soon get Newfoundland into the Confederation. Newfoundland also had a different standard of money, differing both from Nova Scotia and the rest of the Dominion. In Newfoundland, the sovereign, he believed, was worth \$4.80, while in Nova Scotia it was worth \$5, and here, \$4.86½. The Hudson's Bay Territory, again, which we hoped soon to incorporate into the Union, had still a fourth standard; and Prince Edward Island, which we hoped by and by to bring into the fold, had another peculiar to itself. He observed from the report of the Commissioners that the Swedish Government, and he believed another nation which was mentioned in the Report, had adopted the same course as we had done, and passed a permissive Bill.

TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

Business continues still inactive in stocks and bonds; transactions that have taken place have been at high rates.

Bank Stock.—Sales of Montreal have taken place at 150 and 150½ ex-dividend; there are buyers at the former rate. Buyers offer 105 for British; none in market. Ontario is offered at 97½ ex-dividend, a small sale reported at 97. No Toronto in market, enquired for at 118. There are buyers of Royal Canadian at 30, but no sellers. Commerce is firm and in demand at 103; no sellers under 104. Gore is offering freely at 35½, buyers will not advance on 35. Small sales of Merchants' were made at 109 which rate is offered. Nothing doing in Quebec. There are buyers of Molson's at 108 and sellers at 108½. No sales of City. For Du Peuple 109 would be paid; none in market. There are buyers of Nationale at 107. Small sales of Mechanics' at 93½. Jacques Cartier nominal at 105 ex-dividend. Union has advanced to 107 and is in demand at that rate.

Debentures.—Sales of Dominion Stock were made at 108 and 108½, there are now buyers at 107½; five and six per cents. are enquired for. Toronto are offering at rates to pay 7 per cent. interest. County are offering to pay 100 and 100½, not in much demand.

Sundries.—City Gas was pressed for sale in the beginning of the week at 105, there are now