

from industrial pursuits, and destroying an enormous amount of property, we find that the value of taxable property had increased from \$1,000,000,000 to 30,000,000.

Hon. Mr. MACPHERSON—The value in one case is in gold, and in the other in depreciated currency.

Hon. Mr. WILMOT—At the same time there was now held more gold in the Banks of the United States and Treasury Department than ever before. This result was due in his (Mr. W.'s) opinion by Mr. Chase adopting the policy of issuing legal tender notes to the extent of \$413,760,363 and establishing a free Banking Law with an issue of \$300,000,000 of national Bank Notes, making the whole currency uniform guaranteed by the nation. Under this financial policy, no notes could be issued by the Banks without security, and it had given such a stimulus to the industry of the people, that they had not only paid off the large sum of \$890,000,000 of their debt, but had also released the country of a large portion of internal taxation. The policy was not without precedent, for Mr. Pitt, one of England's greatest statesmen, had inaugurated one some what similar in 1797 by making Bank of England notes a legal tender guaranteed by the State, leaving gold to find its value in the market like all other commodities, which continued until 1823. The hon. member would not deny that during the period referred to, it was the trade with that country (U. S.) which had stimulated production in the Dominion, and thereby kept up our Banks in a great measure, by supplying them with a large amount of foreign exchange. Our farmers and others were able to sell their goods to our neighbors, for the very currency of which he spoke so disparagingly, and in that way assist to swell the revenue to its present proportions. The Bank of England was restricted by the Act of 1844 and beyond the £15,000,000 of notes secured by consols and obliged to hold five sovereigns for every five pound note issued by this Act. The banking department was separated from the issue department. In 1847 the bank was bankrupt so far as the law was concerned and the Government had to come forward and relieve the bank by allowing it to issue notes beyond the law. In 1857 it was the same thing, and in 1866, two banks had a larger amount of deposit in the bank of England, than all the gold that was held in both departments which they threatened to demand. Again the Government had to come forward and stop the depreciation of property, in consequence of the

restriction of circulation caused by a foreign demand for gold. Even now on account of the German purchases of gold in the London market, the Bank of England had again raised the rate to five per cent and it may go far higher, restricting the home-trade, and may end in a crisis and panic. He was of opinion that the gold system was based on a fallacy—it was attempting to make a certain quantity of gold not only the unit of quantity but the unit of value, a thing impossible without causing violent fluctuations. The history of the United States for the past ten years was a proof that the theory in question was based on a fallacy. Their system had tided the country through a most critical period without a commercial crisis, when its credit was almost prostrated, and lately the discount had been only $9\frac{1}{2}$ as between paper and gold. Great Britain paid off more of her debt during the two years closing the war of 1815, than she has ever paid since, and that was under the system of making Bank of England notes legal tender, and allowing gold to find its value in the market like any other product of labour. The effect of resuming specie payments, under Sir Robert Peel's Act of 1819, was to increase the public debt and private debts, incurred in paper at $13\frac{1}{2}$ to the sovereign—in fact to increase all the liabilities of the country one-half for the benefit of the fundholders and creditors at the expense of the public and the debtors. With respect to the present Bill, it left the Dominion notes up to \$9,000,000, as they were before, but as regards the issue beyond that sum there was no restriction whatever. In his judgment, the amount of Dominion notes ought not to exceed the amount of the annual revenue. In the next place he did not think the public should endorse the amount of circulation to be given to the Banks without their obtaining something for it. The circulation of Dominion notes was the best kind of currency we could have, for with them we could travel from one end of the country to the other. They were a legal tender endorsed by the State, and the whole property of the country was liable for their redemption. What he wished to see was, that the circulation is as secure as in the neighboring country. The Banks were not liable to be called upon to pay in gold on demand. They had to deposit actual value—in debentures of the United States—and receive only 90 per cent. of circulating notes for them. In this country the result of the circulation of Dominion notes had been most beneficial. Now the total circulation had risen from \$12,-