

# THE CANADIAN MONETARY TIMES

## AND INSURANCE CHRONICLE.

DEVOTED TO FINANCE, COMMERCE, INSURANCE, BANKS, RAILWAYS, NAVIGATION, MINES, INVESTMENT,  
PUBLIC COMPANIES, AND JOINT STOCK ENTERPRISE.

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### Mercantile.

**Gundry and Langley,**  
ARCHITECTS AND CIVIL ENGINEERS, Building Surveyors and Valuers. Office corner of King and Jordan Streets, Toronto.  
THOMAS GUNDRY. HENRY LANGLEY.

**J. B. Boustead.**  
PROVISION and Commission Merchant. Hops bought and sold on Commission. 82 Front St., Toronto.

**John Boyd & Co.**  
WHOLESALE Grocers and Commission Merchants, Front St., Toronto.

**Childs & Hamilton.**  
MANUFACTURERS and Wholesale Dealers in Boots and Shoes, No. 7 Wellington Street East, Toronto, Ontario. 28

**L. Coffee & Co.**  
PRODUCE and Commission Merchants, No. 2 Manning's Block, Front St., Toronto, Ont. Advances made on consignments of Produce.

**Honore Plamondon,**  
CUSTOM House Broker, Forwarder, and General Agent, Quebec. Office—Custom House Building. 17-1y

**Sylvester, Bro. & Hickman,**  
COMMERCIAL Brokers and Vessel Agents. Office—No. 1 Ontario Chambers, [Corner Front and Church Sts., Toronto. 2-6m

**John Fiske & Co.**  
ROCK OIL and Commission Merchants, Yonge St., Toronto, Ont.

**W. & R. Griffith.**  
IMPORTERS of Teas, Wines, etc. Ontario Chambers, cor. Church and Front Sts., Toronto.

**H. Nerlich & Co.,**  
IMPORTERS of French, German, English and American Fancy Goods, Cigars, and Leaf Tobaccos, No. 2 Adelaide Street, West, Toronto. 15

**Candee & Co.,**  
BANKERS AND BROKERS, dealers in Gold and Silver Coins, Government Securities, &c., Corner Main and Exchange Streets, Buffalo, Y. N. 21-1v

**Lyman & McNab.**  
WHOLESALE Hardware Merchants, Toronto, Ontario.

**W. D. Matthews & Co.**  
PRODUCE Commission Merchants, Old Corn Exchange, 16 Front St. East, Toronto Ont.

**R. C. Hamilton & Co.**  
PRODUCE Commission Merchants, 119 Lower Water St., Halifax, Nova Scotia.

**Parson Bros.,**  
PETROLEUM Refiners, and Wholesale dealers in Lamps, Chimneys, etc. Warehouses 51 Front St. Refinery cor. River and Doh Sts., Toronto.

**C. F. Reid & Co.**  
IMPORTERS and Dealers in Wines, Liquors, Cigars and Leaf Tobacco, Wellington Street, Toronto. 28.

**W. Rowland & Co.,**  
PRODUCE BROKERS and General Commission Merchants. Advances made on Consignments. Corner Church and Front Streets, Toronto.

**Reford & Dillon.**  
IMPORTERS of Groceries, Wellington Street, Toronto, Ontario.

**Sessions, Turner & Cooper.**  
MANUFACTURERS, Importers and Wholesale Dealer in Boots and Shoes, Leather Findings, etc., 8 Wellington St. West, Toronto, Ont

### Financial.

#### DEBATE ON THE BANKING SCHEME.

The banking resolutions were brought up in the House of Commons, in Committee, on Tuesday night, the 1st June, for discussion.

Mr. Holton rose and argued at length in favor of delay. He charged the Minister of Finance with having gone beyond the limits of prudence in referring to the insecurity afforded to the country by the present banking system. He defended the present banking system at some length, and concluded by moving an amendment to the resolutions, postponing the further consideration of the subject till the next session.

Mr. McKenzie seconded the amendment. He believed the policy of the Finance Minister would be disastrous to the commerce of the country, and especially of Ontario. There was, in his opinion, nothing whatever to recommend the changes proposed. The press displayed an unanimous hostility to the measure such as had never before been seen in reference to any measure, great or small, which had ever been proposed in Parliament. Petitions from almost the entire commercial community, from one end of the country to the other, had poured in to Parliament against the measure, and not a single petition, to his knowledge, had been presented in its favor. He believed the disasters experienced by the banks in the past few years were the direct result of government interference with the banking institutions of the country. By next session the people would be able to pronounce an opinion upon the scheme, and if it was a good one, the Government would profit by the delay. If carried into effect, the scheme would bring about one of the most disastrous periods ever experienced in the history of the country.

Mr. Cartwright followed. He regarded the amendment as dictated by partizan feeling; and as it was designed as a vote of censure on the Government, it could not be accepted by the supporters of the Government. The question had not been sprung on the House, and the plan was not unalterable, like the laws of the Medes and Persians. On the contrary, the Finance Minister had invited members to favour him with their views and opinions on the subject. He then proceeded to state his objections to the scheme. Before doing so, he wished to know the determination of the Government as to whether the banks would be allowed to purchase the securities in the open market, or direct from the Government; and also what was the penalty if a bank fell short in its reserve.

Mr. Rose replied that these matters of detail could be settled afterwards.

Mr. Cartwright continued. He approved of a uniform system of currency, but if we had to pay for that uniformity by the shattering and convulsing of the whole monetary system of the larger portion of the Dominion, and the destruction of the elasticity of the currency, we would pay too dearly for it. There was great danger that these results would be experienced. The result of this scheme would be the universal cessation of the power of issuing notes on credit. He had made some calculations, showing the extent to which the Upper Canadian Banks would be

affected by this measure. On the 31st March, 1869, the capital of the four principal banks then existing in Ontario, the Bank of Toronto, Ontario Bank, Royal Canadian Bank, and Bank of Commerce, amounted, as nearly as might be, to \$5,000,000. Their circulation at that time was about \$4,000,000. Their resources of all kinds in cash, Government securities, notes and Bank balances was \$4,400,000. Their total liabilities amounted to \$12,250,000. Now the House would observe that their reserves, to the extent of \$4,400,000, were not held against the circulation of 4½ millions; but against the total liabilities of 12½ millions; and it would be absurd to say that in order to protect their circulation they could safely denude themselves of all those reserves and disregard the risks they might run from the withdrawal of deposits. On the other hand, to show how little the withdrawal of circulation would affect the Lower Canada Banks, he stated that at the same date the Bank of Montreal, against a total liability of 14½ millions, held cash assets, including bank balances, of nearly 10 millions, and had no circulation at all to protect. From the calculations he had made, it appeared that so far from two or three millions additional being all that was required to be provided by the Ontario Banks to cover their liabilities in the event of these resolutions being passed, some eight or nine millions would be required, in order to place the Banks in the same relative position of strength in which they stood to-day. It was well to remember that if the silver currency were removed a large increase of bank circulation would be required. If Ontario continued to prosper all the natural increase of banking capital on which the Finance Minister relied to fill up the gap caused by this measure would be more than required for the growing business of the country. The measure would necessarily affect Ontario. In Nova Scotia the lowest bank note was \$20, so that the bank circulation could not there be extensively diffused among the people. Losses had been suffered to the extent of, perhaps, \$400,000 in all, by the suspension of banks in Ontario, but the people of that Province had made no complaints as to the inadequacy of the security. The scheme would destroy all the elasticity which our currency at present possessed. Under it the banks, for every \$100 of notes would have to pay \$120 of money or money's worth. The Finance Minister was about to create a gold currency, the only distinction between which and an absolute gold currency was the convenience there would be in having our current coin in paper instead of gold, which was troublesome to carry. It might be better to use gold altogether, but this system would shift the danger from circulation to deposits. Mr. Cartwright continued at length reviewing the scheme in an able speech, for even a summary of which we have not space. He concluded by asking time for the consideration of the measure in all its bearings and effects.

Hon. Mr. Tilley spoke in support of the resolutions. He referred to the petitions which he said had only 3,723 signatures, and said that in his own Province there was not a change in the law against which they could not get 3,000 signatures in a few days. He contended that a uniform currency was most desirable, and this was admitted. The stockholders of the banks would be placed in a better position than now. He then referred to the present position of bank-