

now to another point which I have heard very much discoursed. It is objected that there is not, in a scheme of this nature, sufficient elasticity to meet the peculiar demands of the Province of Ontario, during two or three months of the year,—especially October and November—when largely increased facilities are required for moving the crops. Let me ask the calm consideration of the House with reference to this matter. Let it be remembered that, under the proposed system, the Banks will, for every dollar of Government securities which they deposit in return for the circulating notes, be receiving from the Government a rate of interest to be specified. And I ask, will it be any serious injury to the Banks, that for the purpose of meeting this necessary expansion they should have to retain as a reserve, in their vaults, \$3,000,000, bearing a fair rate of interest? It is not as if it were dead money, as if it were specie, yielding them nothing; but when the \$3,000,000 extra which they require at a certain season to move the crops is bearing interest all the time, I think they can very well afford to keep it for that purpose. If they have at their disposal for carrying on the business of the country, \$30,000,000 of deposits, and \$15,000,000 of capital, over and above the amount of circulation, I think the \$3,000,000 of reserve, required to meet the expansion in the autumn, yielding all the time a reasonable rate of interest, bears but a trifling proportion to the whole funds they have at their disposal. At the same time, I confess this is one of those things with regard to which I shall be glad to hear the opinions of practical men, if they will look at the proposed policy, not with reference to how it will affect this institution or that institution, but with reference to how it may affect the general interests of the country at that particular season of the year. It must of course be remembered, as I have said, that the means in the hands of the Banks for affording accommodation to the public are not confined to their circulation; and that the amount required to meet this expansion, bearing to the whole capital available the small proportion of \$3,000,000 to \$60,000,000, would not be lying idle in their hands, but would be bearing interest, being represented by bonds in the hands of the Government. The same necessity for expansion at certain seasons of the year exists in the United States, and we do not find that the facilities for moving their crops are in any way curtailed by the system which prevails there. We know that, when required, there is a movement of circulation there from East to West, and I cannot conceive any reason why the same gradual movement of circulation from East to West should not take place with ourselves. At all events, I beg hon. members to consider this, that the presumed difficulty with reference to this requisite expansion cannot be experienced until five or six years from this time; because the curtailment of the Bank circulation is to be so gradual that it would not amount to a curtailment of their resources in anything like the proportion of the expansion of the circulation required in certain months of the year for moving the crops. Therefore this difficulty cannot arise for several years to come, and, when it does arise, if it should be found, in the practical operation of the proposed policy, that this difficulty, without some modification of the scheme, is unsurmountable, provision can then be made for it.