

Financial.

SAVINGS BANKS.

The following are Sir F. Hincks' resolutions respecting savings banks:—

1. That it is expedient to provide additional facilities in the Provinces of Nova Scotia and New Brunswick for the deposit of savings, at interest, with the security of the Dominion Government for the payment of interest and re-payment of principal; for that purpose to authorize the appointment of an assistant to the Receiver-General in each of the said Provinces, who shall have the management of the head Government savings bank in the Province for which he is appointed; and to empower the Governor in Council to establish branch savings banks in the said Provinces, to be under the management of agents to be appointed by the Governor.

The collectors of customs in New Brunswick are authorized to receive deposits of savings, continuing as such agents until others are appointed in their stead.

2. That it is expedient that the rate of interest, to be paid on deposits in such savings banks, shall be such as the Governor in Council may from time to time direct, not less than 4, and not exceeding 5 per cent. per annum; and to make provisions for the payment of interest and their payment of deposits, and other expenses of the said savings banks, out of the consolidated revenue fund.

3. That it is expedient to provide that the said assistants to the Receiver-General shall be the agents for the issue and redemption of Dominion notes under section 5 of the Act 31 Vic., cap. 4, and shall have the keeping of the Dominion stock books at the places for which they are appointed; and that the Governor in Council may authorize the issue of Dominion five per cent. stock under the said Act, the public debt not being increased by such issue beyond the amount for which there may at the time be special parliamentary authority.

4. It is expedient to repeal sections 73 and 75 of the post-office Act of 1867, and make other provision to prevent the increase of the public debt by deposits in savings banks or the issue of the said five per cent. stock.

5. That it is expedient to provide that the Governor in Council may in his discretion appoint an assistant Receiver-General, and establish a savings bank at the city of Toronto or Montreal or in the Province of Manitoba, or in any other Province which may hereafter form part of the Dominion; and that to any such assistant or savings bank the foregoing provisions shall apply.

6. That it is expedient to provide that the St. John Savings Bank, New Brunswick, established under the Acts of the Legislature of that Province, shall be, and shall be held to have been since the 1st of July, 1867, a Government Savings Bank, under the control of the Governor in Council, and the property, assets and liabilities thereof to have been then transferred to and assumed by the Dominion, subject always to a proper allowance for any surplus or deficiency of such property and assets as compared with such liabilities in the settlement of the accounts between the Dominion and the said Province.

7. That it is expedient to make provision with respect to the several savings banks established in the Provinces of Ontario and Quebec under the Act of the Legislature of the late Province of Canada—4th and 5th Vic., cap. 32, 1841—which is only continued in force until the end of the present session—and for that purpose to continue the said Act until the end of next session; and to provide in the meantime that the trustees or managers of any such savings bank may declare their option; (1) to transfer to the Dominion Government the assets and liabilities of the institution, which shall be thereafter carried on as a Government savings bank; or (2) to transfer same

to a chartered bank; or (3) to continue the institution under a charter to be granted by the Governor, with a certain amount to capital, and under proper enactments for the security of the depositors.

8. That it is expedient to provide that if the trustees or managers of such savings bank decide on transferring the same to the Dominion Government, the Governor in Council, being satisfied of the solvency of the institution, the sufficiency of its assets to cover its liabilities, and the expediency of such transfer, may, by an order in Council, provide for the transfer of its assets and liabilities to the Government of the Dominion, after which such institution may become a Government savings bank, and be subject to the provisions mentioned in the first four clause of the preceding resolution, as far as they can apply.

9. That it is expedient to provide, if any such savings bank be continued under a charter, the rate of interest to be paid to depositors shall be from time to time fixed by the Governor in Council, but shall not be less than four nor more than five per cent. per annum; and that all deposits and monies beyond the amount of the capital of the bank shall be invested in Dominion stock, bearing interest at a rate exceeding by one per cent. per annum that so fixed, and which may be issued at par to the bank, such stock not to be transferable, but to be redeemable at such times, and after such notice as may be prescribed by the Governor in Council.

10. That it is expedient to provide that every person, corporation, or institution receiving money in small sums on deposit at interest as savings, shall be held to be acting as a savings bank, and bound to make such returns as to such deposits, and the investment thereof, as the Governor in Council may from time to time require, and to register with the Minister of Finance, and notify in such manner as the Governor in Council may direct, the name of the institution and that of the officer or person on whom process may be served in any suit or proceeding.

11. That it is expedient to provide that the capital represented by the deposits in the Savings Banks in Nova Scotia and New Brunswick, in deposit account as to which there have been no deposits or withdrawals since the 1st of May, 1867, shall not be charged against those Provinces respectively as part of the debt with which they entered this Union, but that all such accounts shall be transferred to a suspense ledger, and if hereafter any deposit or withdrawal be made in any such account it shall be removed from the suspense ledger, and the capital represented by such account and interest accrued since the 1st of July, 1867, shall be charged against Nova Scotia or New Brunswick as the case may be.

ASSIMILATION OF THE CURRENCY.

Sir F. Hincks, on Friday last, moved the House of Commons into committee to consider certain resolutions for the assimilation of the currency throughout the Dominion, (already published in THE MONETARY TIMES.) He observed it was hardly necessary to say one word in favour of the scheme. He regretted he had reason to fear that the people of Nova Scotia had not yet reconciled themselves to this measure. It was one of the objects proposed by this measure, an object not proposed last session, to expel British silver. (Hear, hear.) British silver depreciated as it was, and not intrinsically more valuable than American silver, should give way to currency of our own. British silver did very well for the large population of the British Islands, but not for our small population. We had silver enough of our own, and if we had not a sufficient quantity we had dies from which coin could be struck. It was not proposed to interfere with the gold coin at present in circulation—with the British sovereign or American half-eagle. British gold in circulation in this part of the Dominion was not more, or did

not reach to one-tenth of the whole amount. There was for every sovereign in circulation nine American half-eagles. He looked forward to the time when it would be expedient to declare that British sovereigns should no longer be a legal tender; and he might observe that the colony of Newfoundland had a gold coinage of its own. He had found that the Banks, in dealing with the Government, preferred Dominion notes and American gold to British gold. As to the smaller coinage, Canadian cents would be the only ones allowed to go into circulation.

Hon. Mr. Holton said the difficulty might be obviated by changing the terms of the resolution. He was of opinion that we might do with the present gold coin without going to the expense of having a new mintage of our own. On the whole, however, he concurred with the resolution.

Mr. Chipman, (Kings, N.S.), moved in amendment that the currency of Nova Scotia shall remain unchanged, and shall not be assimilated to currency of the United States, while we are a dependency of the British Crown.

Hon. Mr. Holton was glad that it was proposed to entirely displace British silver, and it was a very inconvenient coin. With regard to the proposition to secure Canadian gold coin, he was not without more information prepared to accept it. The American gold standard was not precisely the same as that of Great Britain, and it would be undesirable to have a currency consisting of two coins of the same nominal value, but differing slightly in intrinsic value.

Sir F. Hincks said there would be no difference in intrinsic value, though not of the same fineness.

Hon. Mr. Tilley said there was no doubt that the interests of Nova Scotia would not be overlooked. When Confederation was adopted in Nova Scotia, it was agreed that the currency should be assimilated, but it was delayed on account of the unanimous opposition to it of the Nova Scotia members showing their influence in the House. It was thought that a uniform international currency might be adopted, but that project was indefinitely postponed, and therefore it was no use in us waiting longer. He believed that three months after the currency was made uniform the people of Nova Scotia would be as pleased with the change as any other part of the Dominion. He pointed out the inconvenience in public accounts of postponing the date of assimilation from 1st July, 1871, to 1st January, 1872, as suggested by Mr. Chipman. He declared that the opinion of Nova Scotia was divided; many of the people were in favour of assimilation, and as evidence of it he read a letter from John R. Ryerson, a member of the Nova Scotia Legislature, urging that assimilation be made to take effect on the 1st of July, 1870. He also read extracts from an article written some time ago in favour of assimilation by Mr. Jack, an authority in banking in Halifax, though that same gentleman came last session to Ottawa to oppose assimilation. The change would only produce temporary inconvenience in Nova Scotia, and businessmen would be satisfied with it when they saw how it worked.

Mr. E. M. Macdonald, (Lunenburg, N.S.) said that formerly he had opposed the assimilation of currency, but now he supported the measure because he saw that there was no probability of the scheme of international currency being adopted, as was expected last year when an European congress was deliberating on the matter.

Hon. Mr. Howe supported the scheme.

Mr. Oliver was of opinion that at present there was not enough small silver in circulation. He thought it would be well to consider whether there should not be an increase of Canadian silver or fractional currency as soon as possible.

Sir F. Hincks said he had considered the subject, and felt some anxiety upon it, as it would be inconvenient to have either too much or too little; but if it was found more was needed it could be supplied with little delay; certainly more silver coin would be needed when the