

how we may secure immediate and ample relief in a perfectly legitimate way.

THE PROPOSITION.

That the Government of Canada by an "ORDER IN COUNCIL" make the Bank NOTES of this Province "LEGAL TENDER" for a term of two years, and grant to the Banks the privilege of issuing on the security of the Provincial Debentures they may severally hold, the same proportion of bills that they are now allowed to issue for the specie in their vaults—that they be allowed to dispose of all the coin and bullion they possess to the importers of foreign goods.

The Canadian banks possess about \$5,500,000 of Government Debentures. The proposition made would enable them, without risk, to discount about \$7,000,000 more paper for the retail merchants, manufacturers, and industrial classes in the country, and about \$1,500,000 more for the importers who wish the gold the banks still possess.

We trust there is no business man in Canada, let him be banker, merchant, manufacturer or tradesman, of any class, who cannot appreciate the advantages such a currency would secure for the country.

The banks would be benefited to the extent of getting interest on \$16,000,000 of bills in place of the less than \$9,000,000 they now have in circulation. The importers would be able to get the \$4,500,000 now locked up in the banks; the tradesmen of the country would have nearly \$16,000,000 of bills in place of \$9,000,000.

When we call to mind, as above shown, that in the United States there is \$30,000,000 of bills in circulation to each million of inhabitants, and if we had the same proportion here we would have, on the basis of two and a half millions of inhabitants, the sum of \$75,000,000 of bills in circulation, there need be no fears of \$16,000,000

being an undue amount. In November 1861 our banks had \$14,956,080 in circulation, but now while from the increase of business much more is required, we have nearly one half less.

There is only one class of persons that can object to a *legal tender* currency—The bankers cannot object if they have any common sense, for they can then do business without risk of inability to pay their debts when demanded. The importers cannot object, they will have all the gold we earn and all we can borrow, just the same as they have now, with the additional amount now held by the banks. There are no industrial classes in Canada that it will not benefit.

FOREIGN DEPOSITORS.

Foreign depositors are the only parties that can be injured, and if the step we have recommended is taken in time it will be advantageous to them, for if they were to demand their deposits now the banks have only about one half enough money left to pay them, and the banks would be placed in a position to pay them off much faster than they possibly can as now situated, for they must redeem their bills or forfeit their charters, if they were forfeited it would be long enough before the bill holders and depositors would get their dues, for the incalculable ruin that would inevitably ensue would result in losses that would utterly prevent them from realizing enough from their assets to meet the claims.

It is true the Stockholders are liable for them to the amount of their capital, that for every dollar of capital they possess they are liable for an extra dollar, but four-fifths of the Stockholders are said to reside in a foreign land, and consequently their liability, like some other things connected with banking in Canada, is a myth, a delusion, and a snare.

The usual system in this country has been for the merchants to get up