

compulsory on any party, and even if the assent of all parties were obtained, still there was no penalty for infringing any of the imposed conditions; that individual efforts had been already tried and had failed in Montreal; that Government would not permit Bank deposits to be meddled with, and that the silver was only a nuisance as coin; that the proper way to get rid of it was to put it out of circulation altogether, and that this could only be done by Legislation and Executive action. That it passed current here for its full value, which was entirely above its actual value, and that we held such quantities because of this circumstance alone, was proved by the fact that hardly any was in circulation in the United States, the country whose coin it was, that it would not pass current there for its face value, and that it had been substituted for gold with us for this reason alone, and no other; because, if held at its real value, gold would take its place, being more rapidly produced, as the requirements of the Eastern commerce absorbed the silver more rapidly than the more precious metals; in the meantime the people of Canada held it at a ruinous loss, which was constantly repeating itself.

Moved by Mr. Carruthers, seconded by Mr. Ford, and resolved, that the only simple plan is for the Banks to combine, with the sanction of the Government, to buy up all the silver at a discount of say four and a half to five per cent, and hold it as a part of the specie reserve, and agree not to put it again into circulation, by this means they can take advantage of the best time to sell and ship it out of the country; and also part of it could be held in New York, on which money could be borrowed if found necessary, this would give them a good circulation for their bills, which they complain so much of at present.

Moved in amendment by Mr. Forster, seconded by Mr. Cameron, and resolved, that the Government be petitioned to authorize the Bank of Montreal to buy up from merchants and others American silver at a discount not to exceed five per cent on small and four and a half on large, and to undertake either to ship it from this country or convert it into Canadian silver coin, bearing the impression of the Dominion.

Moved in amendment to the amendment by G. H. Perry, seconded by Alex. Workman, Senr., and resolved, that in the opinion of this Convention it is the duty of the Government to regulate the currency of the Dominion. That individual efforts, no matter how comprehensive, well designed or organized, cannot be effective without Legislative aid. That it would be better the country should at once submit to whatever final and inevitable loss which would be incurred by removing the mass of silver now used as currency, from circulation, than to suffer a daily recurring and increasing loss by continuing the evil.

The amendment to the amendment being put to the vote was lost on a division; the amendment shared the same fate.

It was moved in amendment by G. Neilson, seconded by Thomas Kelso, and resolved, that a committee of five be appointed to wait upon the Finance Minister and

ascertain whether the Government purpose doing anything to relieve the country from the inconvenience of the uncertain value of American silver, and report to-morrow.

On a division this was also lost, the original motion was then put and carried.

The committee having risen the ordinary business was resumed.

It was moved by Mr. Neilson, seconded by Mr. Carruthers, and resolved, that committees to report on, 1st, the duties on sugars, teas, groceries, hops, &c., 2nd, the duties on manufactured goods, tools and grain, raw materials, coals. 3rd, export duty. 4th, as to excise duties. 5th, Banking and insolvency, be now appointed.

The committees were then named as follows:

*No. 1, the duties on Sugars, &c.*

Forster, Cockshut, Carruthers, Kelso, Stewart, McGillivray, Patterson, Cameron, Rowland, C. T. Bate.

*No. 2, Manufactured Goods, &c.*

Hunt, Williams, Watrous, Workman, McKenzie, Neilson, Sutherland, Ford.

*No. 3, Export Duty, &c.*

McKenzie, Skead, Neilson.

*No. 4, Excise, &c.*

Rowland, Rochester, Perry, Christie, Patterson, Hunt, Williams.

*No. 5, Banking, &c.*

Carruthers, Forster, Workman, Stewart, Bate.

The Convention adjourned till 11 a.m., on Saturday.

THIRD DAY.

Saturday, April 18, 1868.

The Convention assembled at 11, but the various committees not being prepared with their reports, a further adjournment till 3 p. m., took place.

Various committees having reported, it was resolved to take them up clause by clause.

The sugar duties occasioned a smart debate, Mr. Carruthers and several other gentlemen, contending that the existing system gave overwhelming protection to the Refiners, and that partially refined sugars were as saleable, and more advantageous to the consumer than those wholly refined; that every means should be taken to build up an import and export trade direct with the West Indies; that owing to the immense profits Refiners were making, they could prevent importation altogether, and had effectually done so on several recent occasions; that the interests of the country and monopolies were incompatible, and that the proposed arrangement was fairest for all parties.

Mr. Perry warned the Convention of the danger of meddling with existing interests, the refining of sugar was a branch of industry of which Canada might well be proud; he could not see clearly the value of destroying one industrial pursuit to build up another, whose success was problematical, and whose objects were suspicious, for the very fact of making such a demand; he thought the true field for

competitors was in the direction of increasing refineries; he was sorry the Refiners were not here to fight their own battles; he was simply trying to do his duty by the consumer, and he believed it was well understood that unrefined sugars would not be desirable in a sanitary point of view. He was an advocate for *ad valorem* duties on all importations, such duties to be based on the value at the place where produced, and he was sure no axiom was better understood in political economy than the profits derived from the manufacture of raw material. He did not want to build up the West India refiners at the expense of Canadian industry, nor did he wish to drive the trade of the Dominion across the frontier.

Mr. Howell also spoke on this subject, at considerable length. The export of raw material would go far to build up the trade of the Province, it obliged the importer to employ vessels of large capacity, and consequently afforded more freight room for *shooks*. He was of opinion that the capital of the Province was quite sufficient to support a large import trade; he coincided with Mr. Perry in the idea that competition should be in the direction of increasing the refineries. If the gentlemen engaged in business were making fifty per cent profits, he thought it very likely others would try to share it, and at least, it appeared to him to be strange that with such a certainty, any one would go to the West Indies on mere speculation. It was well known that raw sugars entailed great loss on the retailers by waste and other causes, well understood in the trade, while refined sugars were clear, and no loss was suffered thereby. He thought the interests of consumers were best served by refined sugars, and he was therefore an advocate for *ad valorem* duties as being fairest to all parties.

It was moved in amendment to the first clause on the duties on sugar, by Geo. H. Perry seconded by D. Cameron, and resolved, that the interests of the Dominion would be best served by a system of *ad valorem* duties on imports, and this especially in relation to sugar—levied on the value at the place of production.

This resolution was lost on a division.

The clauses on sugars, molasses, teas, coffees and chicory, fruits, &c., were carried without a division.

On tobacco, it was moved in amendment by Thomas Patterson, seconded by C. T. Bate, that the clause referring to tobacco, be expunged, which was carried on a division.

The next clause, on liquor, was also carried. On hops, it was moved in amendment by John Rochester, seconded by Thos. Hunton, that hops imported from the United States be admitted duty free, as at present, which was lost on a division.

The debate on this amendment elicited the fact that Canada was rapidly becoming a hop producing country. The remaining clauses were past without any division. The remaining reports were adopted without a division.