

February 17, 1871

country. Therefore, there was upwards of ten millions in circulation. Now, from the best information he could obtain, six millions of this amount changed hands every month, which would give for the twelve months of the year, a circulation of \$72,000,000. He saw his hon. friends (Hon. Mr. Holton and Mr. Mackenzie) smiling, but he would tell them that estimate had been carefully prepared. On this \$72,000,000 at the broker's rate 14 per cent commission, there was an actual loss of \$180,000 per year, which would give for the five years a loss of \$900,000. But that was not the whole loss. There was besides a loss of four per cent which might be fairly calculated, making a total loss during the five years of between fourteen and fifteen millions of dollars. The hon. gentlemen opposite smiled, and no doubt would argue that if one class of persons lost another gained this money. He would not deny the fact, but there was an actual loss on the six millions of dollars in circulation, nevertheless. It displaced six millions of bank notes, and thereby diminished the actual amount of the capital of the country by six millions. If it was an advantage to the country to employ the paper to take the place of gold, it must be so.

Mr. MILLS: Is not silver capital?

Hon. Sir GEORGE-É. CARTIER: It was depreciated capital.

Hon. Sir FRANCIS HINCKS: It was clear that six millions in bank notes could not be employed, owing to the circulation in the country of foreign silver.

Mr. MACKENZIE: That is, it reduced the profits of the banks on that amount.

Hon. Sir FRANCIS HINCKS: It was a loss to the country at large, and he therefore entered into communication with Mr. Wier, of Montreal, whose name had been brought into discussion last year, to see whether the silver could be removed without any risk whatever to the public, on the same terms and at the same cost as in his previous operation on one million dollars, the accounts of which had been laid before the House, and had been considered unobjectionable by the Committee. He had the satisfaction of knowing that although the cost of removing \$4,800,000 under this operation was very nearly the same as in the other case, still the difference was slightly in favor of the last. Of course, a great deal of this silver was sold at a loss in New York, upon the price paid for it here, in consequence of the pressure on the New York market having reduced the price. In anticipation of the papers coming down, he would not say anything further on this matter on the present occasion.

With reference to the new coinage, he would remark that steps were taken, at the earliest moment, to have it issued to exactly the same value as the previous money issued under an order in Council. He might say with regard to the composition of the coin, that it was standard silver, which was made of something like twelve and a fraction part of pure silver, with an alloy of one part of copper. It was bought by the mint at the rate of 5s. and 2d. per ounce, which would be 62 shillings per pound standard silver. The mint coined it and issued it at an advance of six per cent. The amount coined for this country was \$750,000. Of course, there were various charges on it, but he was happy to say there was a profit on the operation of

something like \$14,000, and he would remark here, that if any one would carry out the calculation, he would perceive that if Canadian coin to the amount of \$4,500,000 (the amount of foreign silver exported) had been brought into the country, they would have cleared all expenses. But there were reasons why this was not advisable. It would, if carried out, have resulted in depreciating the silver in value.

As far as his information went, he heard from time to time that when the banks wanted to pay out silver, people asked them for fractional notes instead. The public seemed not to be so entirely displeased with the notes as the hon. member for Lambton was. Still, the Government has shown no disposition to force this fractional currency into circulation. On the contrary, he was sure there would be no trouble in largely increasing circulation; but he quite agreed with the hon. member opposite that nothing could have a worse effect than to have the supply in excess of the demand. They were received at the banks and were not allowed to go out again into circulation when it could possibly be avoided.

Hon. Mr. HOLTON had no desire, in asking for those returns, to find fault with the Hon. Finance Minister. It was a desirable object to export the foreign silver from the country, and some of the steps taken by the hon. gentleman, while not being exactly what he would have approved of himself, were good. The question arose, though, that if the hon. gentleman had done so well this year, why it was that the other hon. gentlemen on the treasury benches did not do so long ago, and prevent such loss to the country. The hon. gentlemen could not escape the responsibility of having inflicted on the country all this loss and inconvenience.

With reference to that part of his motion relating to the fineness of the new silver, his object was to show the amount of base metal the Government were authorizing into circulation as the legal tender of the country. There could be no difficulty in arriving at this knowledge, for he took it for granted that the Order in Council authorizing the issue must show the percentage of alloy used in the coin and he thought the House was entitled to know precisely that percentage. By the first part of the motion, he simply wished to ascertain what amount of American silver had been withdrawn and at what cost.

Hon. Sir FRANCIS HINCKS said, with regard to the attack made on the Government for not having taken this measure sooner, he thought if the hon. gentleman would only reflect a little, he would see that it was only last year the Government were in a position to do it. If he (Hon. Sir Francis Hincks) had to take the same course his predecessor had been compelled to do—to go into the market and sell bonds at a discount of two per cent—he would have shrunk from doing so. The reason why he (Hon. Sir Francis Hincks) had undertaken it was because the Government had greater means at their command, and were better able to carry out the scheme. Mr. Wier could not carry it on without borrowing money at a large percent of interest from the banks, and it was for that reason that he had not succeeded.

Mr. DUFRESNE thought the removal of the American silver had an excellent effect upon the trade of the country. The need of its