

prevent him leaving his room. His influence among the present insurgents has always been very great. During the course of the troubles which agitated the Settlement on the approach of Mr. McDougall, Mr. McTavish had daily interviews with their leaders, and all that persuasion or reason could do to induce them to abandon their ill-advised course, was done. It proved, however, unhappily unavailing. Respecting the causes of the failure, they sprang from a variety of incidents and influences of which this is not the place to speak in detail.

## CANADIAN PARLIAMENT.

## THE SENATE.

On Monday, Mr. SANBORN introduced a bill relating to Official Assignees, which was read a first time. On Tuesday Mr. MITCHELL introduced a bill to amend the Act relating to beacons, buoys and light-houses, which was read a first time. Mr. WARK moved for a statement concerning Intercolonial Railway contracts. A long discussion ensued, in which Messrs. CAMPBELL, SANBORN, McLELLAN, McCULLY, LETELLIER DE ST. JUST, DICKEY, TESSIER and MITCHELL took part; and the motion was allowed to stand over on the understanding that the report soon to be laid before Parliament by the Commissioners would supply the information sought for.

## HOUSE OF COMMONS.

Thursday, March 3.—After the usual routine and the introduction of several bills by private members, Hon. Mr. LANGRIS in reply to several questions on the paper with regard to the canal policy of the Government, stated that it was intended to improve the existing canals as soon as possible; to reduce the level of the Welland Canal to that of Lake Erie, and to enlarge the Grenville Canal, for both of which purposes an appropriation would be asked during the Session. The Government also intended to make the necessary surveys during the summer of the proposed Bay Verte Canal. In reply to Mr. FORTIN, (in the absence of Dr. ROBITAILLE) Sir JOHN A. MACDONALD said it was not the intention of Government to issue any licences to foreign fishermen during the ensuing season, (cheers) and it was the intention of Government to protect the rights of Canadian fishermen in Canadian waters. (Cheers.) In answer to Mr. DUFRESNE, Sir JOHN A. MACDONALD said no report from the arbitrators on the division of the provincial debt had been received by Government. He believed they were making progress, but what progress Government had not been informed. In answer to Mr. PELLETIER, Sir JOHN A. MACDONALD said Judge Gauthier, from the district of Kamouraska and Rimouski, had applied, in consequence of ill health, for leave to retire upon a pension, and the subject of his application was now under the consideration of Government. In answer to Mr. MAGILL, Sir GEORGE E. CARTIER said it was not the intention of Government to select and send some of the most expert riflemen of the Dominion as representatives at the next rifle match at Wimbledon Common. It would require an extra appropriation for that purpose, which Government did not feel warranted in asking for. On the motion of Mr. LAWSON, a return was ordered for copies of all treaties for surrenders of land, &c., &c., made with the Indians. A motion for correspondence concerning Reciprocity was withdrawn after a brief discussion; and another for the admission into Canada of thorough bred live stock, duty free, was allowed to stand over. Mr. YORSE moved for a minute and particular statement of all the transactions between the Bank of Montreal and the Government during the years '65, '67, '69, and '69, showing amounts of exchange bought, interest and commission paid, &c. After some remarks from Sir FRANCIS HICKS the motion was passed. Hon. Mr. HOLTON asked when the Public Accounts Committee would be convened, and Sir FRANCIS said there would be as little delay as possible. Sir ALEXANDER GALT moved for copies of all correspondence with the Imperial Government relative to the admission or exclusion of American fishing vessels from the waters of the Dominion, and all orders in Council on the subject. He said that after the answer given by Government to an Hon. member, the matter was even more important than it had been. He thought the House would appreciate the importance of the returns, in view of the change of policy that had been announced, and that of all subjects, this was one on which the policy of the Dominion and Imperial Governments should be at one. The fishery question has been a source of great danger to the friendly relations between Great Britain and the United States in the past, and such a question was deserving of the greatest consideration in the House. There could be no doubt that the correspondence he asked must have taken place, and that the policy of excluding the Americans from fishing grounds, with all the consequences flowing from it, must have been considered. He desired to know if it was a policy which met the approval of the Imperial Government, for it was clear that to attempt, with our own unaided resources, to exclude American fishermen from the coast, would be utterly vain, and might not improbably involve the empire in complications which should be avoided. Sir JOHN A. MACDONALD said that the correspondence was not yet complete, and it would not be for the public service to bring it all down. Such parts of it, as it might be expedient to bring down, might be delayed for a little, but only for a little. It would be brought down during the Session. Mr. FORTIN's Committee on Maritime and River Fisheries was reappointed. On motion of Mr. BLAKE a return was ordered respecting the Military Schools of the Dominion, showing the number of cadets who had passed, the number now holding commissions, &c., &c. On motion of Mr. OLLIVER, an address was passed for statement of expenses connected with the Hon. Mr. McDougall's mission to the North-West and back. On motion of Dr. TUPPER, a committee was appointed to consider the subject of officially reporting the debates in Parliament. In reply to the Hon. Mr. HOLTON, Sir FRANCIS HICKS stated that Government had full authority under existing Acts to issue the proposed fractional currency. The House adjourned at 6 o'clock.

FRIDAY, March 4.—Sir FRANCIS HICKS moved the House into Committee of the Whole on the resolutions on Banking and Currency. Mr. CARTWRIGHT commented on the vacillating financial policy of the Government, in proposing one system in 1866, another in 1869, and a third in 1870. The proposed measure would press more heavily on the Province of Ontario than on the other Provinces. He took issue with the Minister of Finance on two points: that it was expedient or desirable that Government should assume the control of the circulation;

and second, that the State had an inherent right to the profits of circulation. He denied both propositions, though admitting that Government had a right to share in the profits of the circulation. After explaining at great length the position of the banks of Ontario, and decanting upon their usefulness in developing the trade and resources of the country, Mr. C. said he understood the project to give the Finance Minister power only to issue some seven millions of dollars, which he proposed to employ in taking up all the issue of notes under four dollars, and also in supplying the banks with fifty per cent. of their cash reserve. He presumed that the words "cash reserve" meant simply the items usually put down in the bank returns as specie and provincial notes. This issue intended to be used by the hon. gentleman, appeared to amount only to about five and a half millions. The bank returns, however, would show that this amount would be considerably less than would be required to carry out the project. He considered that about twelve millions would be required. He arrived at that sum in this way: It was proposed to compel all the banks to hold 50 per cent. of their reserve in Dominion Notes. That reserve now amounts to about \$14,000,000, not including the Banks of Nova Scotia or New Brunswick, which were on a different footing. The Finance Minister would, therefore, require to meet that reserve \$7,000,000, and in addition to this, as he intended to deprive the banks of the privilege of issuing notes under \$4.00, he would require another sum now estimated at \$5,000,000. However, when the American silver now in circulation in the country was got rid of, he (Mr. Cartwright) believed the amount required would be double. The total sum likely to be required would be at any rate about \$12,000,000. He was opposed to the monopoly of the small note issues as a matter of principle, and contended that the provisions of the resolutions were only smooth water provisions; they work very well in times of prosperity, but when the strain came upon the country they would be found insufficient at the very time they were most needed. If the Finance Minister expected the new clauses introduced into the form of bank returns to be a guarantee to the country, he must establish a system of inspection by men thoroughly acquainted with banking. As he thought it desirable that some protest should be entered against the principle involved in the resolutions, he moved "That the Speaker do not now leave the chair, but that it be resolved that it is inexpedient to authorize the issue of legal tender notes in the manner authorized by the resolutions." Mr. BOLTON seconded the amendment. Sir FRANCIS HICKS alluded to the differences of opinion which existed upon the subject under discussion, and referred to many eminent men in England who had held the same theoretical views as he did. The member for Sherbrooke had advocated the establishment of a Bank of Issue, and in order to induce bankers to come in, had held out very large considerations; but they had refused of course. He, no doubt, knew perfectly well that during the issue of the Dominion Notes a serious loss would be sustained, owing to the advantages offered to the Bank of Montreal for substituting these notes for their own. This had been done for a permanent gain, and had all banks gone into it an enormous revenue would have accrued to the country for all future time. That, he presumed, was the idea of the hon. member for Sherbrooke. Sir A. GALT—Yes! The scheme of the member for Sherbrooke was sound. He did not pretend to say that the scheme brought forward last Session by the Hon. Mr. ROSK was similar to that of the hon. member for Sherbrooke. At the same time its object was also to obtain a uniform system for the country—free from all loss. That scheme failed to command the support of the House. They were now bringing forward another scheme. He did not think it expedient under the circumstances to abandon the issue of Dominion notes. To recall these Government would have to pay the Bank of Montreal about \$3,000,000 to replace them with their own notes. Government had been trying to get a scheme which would not be objected to by the banks, not alone of Ontario, but of the other Provinces also. In discussing this question he deprecated appealing to sectional feeling. He considered that the tax upon the circulation would be about the same as the tax required for the issue of Dominion Notes; he would admit that the banking institutions that enjoyed very great privileges and monopolies, would suffer, but for the benefit of the whole country. (Hear, hear.) By the government measure now brought forward we would gain \$5,000, and might gain \$400,000. Mr. MACKENZIE contended that Government should have nothing to do with banking; its duty was to see justice done in all cases, to provide for the enforcement of contracts made, and to see that proper protection was afforded to the public. He said these resolutions did not propose to repeat the 8th clause of the Act of 1869, which authorized the issue of eight millions in Dominion Notes. These resolutions proposed to issue seven millions more, making a total of fifteen millions. Sir F. HICKS thought the resolutions stated, in distinct terms, that Government could not possibly issue more than seven millions. Mr. HOLTON—Including what is already issued? Sir F. HICKS—Including everything. Mr. MACKENZIE—The resolutions are certainly not very clear on that point. Sir F. HICKS—When the agreement with the Bank of Montreal expires, the Notes already issued must be taken up by Government, or, if allowed to remain in circulation, must be included in the seven millions. Mr. MACKENZIE—If these seven millions are to displace the Notes now in circulation, and to provide seven and a half millions reserve for the banks, and cover the issue of small Notes under \$1, how is the hon. gentleman to provide all that with seven millions? Sir F. HICKS—Do I understand the hon. gentleman to say it would require more than seven millions? Mr. MACKENZIE—Most decidedly I do. Sir F. HICKS did not take so sanguine a view, but if it should fortunately happen that they should have such a large circulation as the hon. gentleman seemed to anticipate, and he hoped they would have, then, he presumed, Government would ask next session for authority to issue a larger number of Notes to supply the necessity for additional reserves required. But he did not anticipate so large a circulation as to require seven and a half million reserves in Dominion Notes. He estimated it at five millions, and he did not think it would be prudent to ask authority to issue more than seven millions. The remainder of the reserves would be in gold. Mr. MACKENZIE was glad to have elicited this explicit explanation. He was opposed to the restrictions on the circulation proposed by the resolutions. The principles of free trade applied to banking as well as to other business. The issue of bank notes should be regulated not by arbitrary restrictions, but by the demands of business. Mr. HARRISON spoke highly of the existing system of banking in Ontario; and said the resolutions contained that system with a change in one or two

respects. Mr. SCATCHERD said it was the duty of Government to oversee the currency. He failed to see anything in the scheme of last session hostile to the interests of the bill-holders, or of the public generally, because in addition to the security of double liability, they had the security of Government upon the banking system. Several of the leading banks had failed. He objected particularly to the amendment forbidding Government to issue small notes, as he believed that was the best feature of the Government scheme. Mr. YORSE said the scheme was a patched-up one, and admitted the objectionable principle of a Government currency. It would place the banks under the control of the Government, and thus give it a dangerous power. The object of the measure was to extort a forced loan. Sir F. HICKS said Government did not want to borrow a single dollar, beyond what was already authorized by Parliament; they had authority at present to borrow £300,000 sterling for the North-West. If they were able by means of this scheme to avoid raising that loan for which they would have to pay six per cent., and be able to get money from the country without interest, surely that would be a greater advantage to the country at large. Mr. WORKMAN said it seemed to be regarded that Ontario was the only section to be considered, and the discussion had been nearly all from an Ontario point of view. This question should be dealt with in a broad mercantile spirit, without any regard to political parties. On the whole he approved of the resolutions, and believed they would command the confidence of the entire mercantile community, certainly they were a very great improvement on the resolutions of last session. But with reference to the system of voting, he thought the principle of giving a vote for each share was not a good one. He hoped it would be changed in committee. He had no fear that the legal tender notes would be an injury to the country, on the contrary they were a great convenience, and a few more of them would do good not harm. Mr. CARTWRIGHT's amendment was then put and lost, yeas 29, nays 119, and the House went into committee. At the instance of Sir A. T. GALT and other members Government promised to consider the propriety of reducing the minimum bank capital from \$1,000,000 to \$400,000. Nearly all the resolutions were agreed to with very slight modifications, and the House adjourned at 11.15 P.M.

Monday, March 7.—In reply to Mr. CALDWELL, Sir JOHN A. MACDONALD stated that the contractors for section 3, Intercolonial Railway, (Messrs. Elliot & Co.) had been paid in full; that they had not been relieved of their contract but that the same was forfeited; and that Government had no dealing with sub-contractors, who must look to the contractor for their pay. In reply to Mr. MAGILL—that if the House thought well of it, there would be conferred on the Court of Appeal to be established admiralty jurisdiction to a certain degree. In reply to Mr. CORNIN: that there had always been an armed force supplied by Her Majesty's Government for the protection of British fishermen. The Canadian Government had no reason to believe that the force would be withdrawn, and therefore had no intention of putting on an armed force of its own. It was the intention of the Government to have a certain number of police vessels there for the enforcement of the law on these waters. Mr. OLIVER moved for an address to His Excellency, praying for the imposition of an import duty on wheat, flour, Indian corn, hops, coarse and fine salt, and coal. He argued at length in favour of this course, to increase trade between the Provinces and preserve the markets of the country to its own people. So long as we gave the Americans all the advantages they formerly enjoyed they had no inducement to offer us reciprocity. Sir FRANCIS HICKS could not then disclose the financial policy of the Government, but when the measure was brought down hoped it would meet with Mr. OLIVER's support. He held out some hope of the speedy adoption of free commercial intercourse with the United States. Mr. CAMERON, (Huron) ridiculed these announcements from Washington about the renewal of reciprocity at the beginning of every session of the Canadian Parliament, and which would probably be continued every year until Canada took a stand in its own defence. He supported the views expressed by Mr. OLIVER. Mr. GIBB fully concurred in the views expressed and congratulated the gentlemen on their conversion to sounder views. All that was necessary to convert free traders was to touch their own interests and they at once became protectionists. Hon. Mr. WOOD said the question raised by the motion had been discussed by the Agricultural Societies in his section for two years, and he fully endorsed the statement that no measure would give greater satisfaction, particularly to the agricultural community, than the revision of the tariff, with a view to the protection of Canadian interests. Mr. MACKENZIE did not believe that a retrograde policy, taking our legislation back 30 or 40 years, would be satisfactory to the people of Ontario. He quite agreed that our legislation should be in the direction of protecting Canadian interest, but the question was would the policy indicated protect these interests? Hon. Mr. HOWE gave it as his opinion that the Nova Scotians without ceasing to be free traders preferred the proposed policy rather than be coerced into a political union with the United States. Hon. Mr. ANGLIS on behalf of New Brunswick repudiated the proposed policy. Messrs. POPE, COLBY, MAGILL, FERGUSON and O'CONNOR, advocated a revision of the tariff in the proposed direction and the motion was withdrawn. A long debate ensued on a motion for the correspondence between the Imperial and Dominion Governments, relative to the withdrawal of troops from Canada, and also the correspondence relating to the Colonial Conference. The former part of the motion was allowed to stand and the latter carried. Adjourned at 10.20 P.M.

Tuesday, March 8.—A large number of petitions were presented for the removal of the duty on refined petroleum. Mr. ANNOTT presented a petition for the extension of the charter of the Canada Central Railway for five years. Mr. HOLTON introduced a bill to incorporate the Caughnawaga Ship Canal Company. Mr. DUNKIN introduced a bill respecting the Census and explained its provisions at great length. It provided that the Census should be taken in 1871, but did not specify at what time of the year, as that would be fixed by proclamation of the Governor General. He (Mr. D.) had considered the Census laws of England, the United States, and several of the Colonies, and had availed himself of the best provisions in each so as to make the bill as perfect as possible. Much of the detail in the manner of taking the Census would be left to the discretion of the Governor in Council, as it was desirable that the same forms of returns should be used here as in England and the United States, thus rendering the statistics more valuable for comparison. The Census would be taken as formerly by enumerators acting under Commissioners; the country would be divided in districts as nearly as possible, corresponding to the electoral divisions, and these districts would again