

they are to be classed with securities or drafts for coin, such as cheques, promissory notes, and bonds. A bank bill is a note promising to pay the bearer so much coin on demand. The use of the ambiguous word *currency* has made people forget this fact. Who shall be authorized to issue such notes, to what extent, and under what conditions, are questions of commercial policy, the answers to which will vary with the circumstances of different countries. But in all countries alike, the right is limited to those who have the coin and are ready on demand to pay it; and this holds good in the case of Governments as well as in that of private corporations. Issuing notes without the means or intention of paying is just as much a fraud when committed by a Government as it would be when committed by a bank. Any political breach of commercial honesty in that direction, or in the direction of inflation, will soon bring its own condemnation in an unmistakable form; American bank bills will be at a premium in Canada.

It may be added, that of all remedies for the commercial distress, the most strangely inappropriate would be what, by a confusion of thought already noted, is called an increase of the currency. It would be like injecting water into a man suffering from dropsy. Throughout the crisis there has been a glut of money. The dearth, both in England and here, has been of investments. Masses of money lay in the London banks at a nominal interest. The main cause of the crisis has been overproduction, and excessive increase of the means of production, stimulated by a previous period of rapid development, which was brought suddenly to a close, partly in consequence of a break in railway enterprise. To fancy that any relief can be obtained by furnishing Government with a printing press, and bidding it print off quantities of irredeemable paper, would surely be most absurd.

—Any possible task would be well performed by Sir Alexander Galt. The task of divorcing Canada commercially from