

I come now to the Resolutions embodying the new scheme of the Government. I gather from your speech that the chief advantages you claim for it would be a uniform currency throughout the Dominion, and increased security to the noteholder. To accomplish these two objects, the first of which I hold to be impossible, and the other easily attainable without overturning the existing system, you proposed that all the Banks in the Dominion should pay into the public exchequer, in the form of Government securities or cash, a sum equal to their circulation, amounting in the aggregate for Ontario and Quebec, in October last, to nearly \$12,000,000, excluding Dominion notes, for which Government would in return give to the banks notes countersigned by the Government to an equivalent amount; these notes to be legal tenders, redeemable by the banks issuing or circulating them, notwithstanding that they had already paid the Government for them; and on the failure of any bank to redeem these notes, the Government to interpose, sell the securities belonging to the suspended bank deposited with the Receiver General, administer to the estate, first paying the notes in circulation, then the deposits on call, and then all other creditors. These, as I understand, are the general principles of the measure, and to these I will first address myself.

With respect to absolute uniformity in the value of a redeemable paper currency I must maintain that this is impossible in a country of the extent of this Dominion. The notes, although made a legal tender, would only be worth par at or near the places where they are exchangeable into gold. You proposed that they should be redeemable in the capital of the Province in which the Bank issuing them is situated. Thus, notes issued in Nova Scotia would be redeemable in Halifax, and notes issued in Ontario would be redeemable in Toronto; therefore the notes of Nova Scotia Banks circulating in Ontario would necessarily have to be sent to Halifax for redemption. Surely it must be manifest that it is beyond the power of Parliament to relieve the holder of Nova Scotia Bank notes in Ontario from the expense and risk and loss of time inseparable from sending the notes to Halifax and bringing the gold back; and to the extent of the loss thus incurred, depreciation would be inevitable, and it would increase according to the distance and risk of transmission, and be very much greater between Red River and Newfoundland, than between Toronto and Halifax. Making the notes a legal tender would make them valid at par in the payment of debts, but in the payment of debts only. In all the other transac-