

received in good part; the Government being actuated by but one desire, that of seeing the circulation of the country placed on a sound basis. I hope my hon. friend, (Mr. Gibbs), who put a question to me a little ago, will not deny the Government the benefit of his experience with reference to the various features of the measure, instead of pronouncing judgment at once against the whole scheme. At the same time I must observe, that I think we have to look at other interests besides the mere interests of the Banks. We do not desire to engage in a controversy with our banking institutions. We do not wish to consider their interests as separate from the general prosperity of the country. But, if they will claim special privileges—if they will insist that they and they alone shall have the privilege of circulating that which the public shall accept as money—then we must separate their interest from the general interests of the country at large. But I do not believe we shall be forced into that course. I trust rather that they will meet us in the same spirit as that in which we desire to meet them, as reasonable men desirous of arriving by the best available means at a common object. If they display this spirit, I do not apprehend that there will be any serious or insurmountable difficulty in coming to a satisfactory understanding. So, instead of saying a word that would produce antagonism or bring about a conflict with these institutions, I would rather deprecate any discussion until there has been a full opportunity of considering the scheme with respect to all its merits or demerits. The amount then which the Banks will have to provide, assuming their deposits to be only what they were in 1868, and assuming their circulation to be based on Government securities, will be \$16,900,000; this being the amount of the circulation, *plus* 20 per cent. to be kept as a specie reserve, and *plus* one seventh of the amount of the deposits on call. They have on hand already, as I stated to the House, in specie, an average amount of \$8,900,000, and Government securities to the amount of \$3,300,000; making a total of \$12,200,000, leaving to be provided in addition in the course of seven years, only \$4,700,000, less than five millions of dollars. Now, I do not hesitate to say that the operation of this scheme cannot be otherwise than gradual and almost unfelt. What per-centage upon their average circulation, and what per-centage upon their average discounts is this? Suppose there is no new Banking capital provided, and suppose that the deposits do not increase, how much a year would they have to curtail their discounts or their circulation, in order to provide in seven years those five millions, and give the country the benefit of a sound and wholesome currency? Why, only $5\frac{4}{100}$ per cent per annum on their average circulation and $1\frac{4}{100}$ per cent per annum on their average discounts. Will any one tell me that this gradual and almost imperceptible contraction is going seriously to cramp the operations of the Banks; even supposing they should curtail their circulation by this $5\frac{1}{2}$ per cent and their average discounts by this $1\frac{1}{2}$ per cent. for seven years?

Hon. Mr. HOLTON.—Will the hon. gentleman allow me to enquire whether the Banks will be at liberty to purchase the required Govern-