

I have no hesitation in asserting that the introduction of the legal tender system has already to some extent reduced the volume of specie in this country, and will eventually cause such a further reduction as not only to depreciate the value of, but to render, the legal tenders altogether worthless.

If the present Banking Institutions were required to issue notes based on Government Security, or to issue legal tenders, I do not see why on that ground they should discontinue their country Agencies. I am of opinion that the consequences of such issue, would be more injurious to the public than the local or country Agencies.

I consider the provisions of the Charters of the Banks in Nova Scotia, do offer sufficient guarantee in the public interest, as regards circulation and deposits, and I can see no difficulty in enforcing the provision which makes shareholders liable, if need be, for double the amount of their shares. Nor can I understand what greater necessity there can possibly be for introducing unlimited liability into the Dominion, than into Great Britain and other countries. With some trivial alterations the Bank of Nova Scotia has been working under its present Charter satisfactorily for thirty-seven years.

The Capital of the Bank of Nova Scotia is and was at the first all paid up in Cash, and I presume it to be the same also as regards the other local Banks in this Province. The Acts of Incorporation require it. The Bank of Nova Scotia cannot under its Charter loan money on the security of Bank Stock.

I see no absolute necessity for a limitation of the number of a Bank's branches within its own district, if it has sufficient Capital to support them, though many and serious objections may be offered on the ground of Agencies located in different parts of the Dominion working together to injure other Institutions—and opportunities frequently occur to enable them to do so. I have understood that in the neighboring Union,