

banks are in the same state, as the thirty millions of failures must show. When the current of trade is dependent upon issue governed by fifty different boards of directors, who exchange promises to pay for the promises to pay of others and charge seven to twelve per cent. interest, it is a strong inducement for them to expand their issue. I am surprised that we are in as good a position as we are. As far as agriculturists are concerned, they have had good crops, but prices have gone down very considerably in consequence of the scarcity of circulation, and I hope that the Government will turn their attention to this matter. I have always been in favour of the issue of Dominion notes, and my opinions are decided on this subject. I was happy to read in the debates in the British Parliament in March last that all the leading financiers in the House of Commons concurred in one opinion, that circulation, whether gold, metallic or paper, should issue from the State, be secured to the people, and the advantages of it go into the public exchequer to relieve the necessities of the country. Banks are useful, but they are dangerous, and I will just quote from a speech made by President Buchanan during the financial troubles of 1857, when he said: "It is easy to account for our financial history for the last forty years. It has been a history of extravagant expansions in the business of the country, followed by ruinous contractions. At successive intervals the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit, exciting them to extravagant importations of foreign goods, wild speculations, and ruinous and demoralizing stock gambling. When the crisis arrives, as arrive it must, the banks can extend no relief to the people. In a vain struggle to redeem their liabilities in specie they are compelled to contract their loans and their issues; and at last, in the hour of distress, when their assistance is most needed, they and their debtors sink into insolvency." I do not think we can have the same experience, as our banks are on a different basis from what the banks of the United States were at that time. I have only thrown out these ideas because I think it is a political question. I think these matters rise above all parties, and it is a subject of regret to me and to all thinking men that two gentlemen of such financial ability as Sir A. T. Galt and Sir Francis Hincks are not in the House to-day to

give the country the benefit of their experience. I have also to refer to another matter in the Speech, that is the foreshadowing of a law respecting common carriers, and also one for the greater security of policy-holders in life insurance companies. I hope that the Government will extend that not only to life, but to fire and marine companies, as there has been a great deal of hasty legislation on these matters that should be looked into, especially in companies doing business in the Maritime Provinces.

Hon. Mr. HAYTHORNE—I quite concur in the sentiments expressed by the hon. member who has just spoken. The most important part of the Speech has reference to the commercial depression, and a great many of the gentlemen who have spoken have turned their attention to it. I believe the causes are to be found far beyond the bounds of our Dominion, and we must submit for some time to come to their effects. I believe it is the fate of all colonies. I believe that a close examination of colonial finances would show that they are all subject to periods of depression. The general tendency is towards progress, but occasional reactions must take place. What the wisest policy to pursue may be, we have yet to learn, of course, from the Government; but I venture to express the opinion, although it may be proper to retrench the ordinary expenses, that the public works should not be allowed to languish, provided our credit remains good—as I believe it does from the market value of our securities in England. I think the most painful sight to witness in a country is idle labourers. The employment of them will at once stimulate the prosperity of the country and quickly react upon the empty treasury. It seems to me it would be unwise for the Government to take alarm at the present condition of the country and suspend the construction of our public works. It seems to me that a time of depression is the proper period for making public improvements. The hon. gentleman from Belleville traces the causes of this depression to the visit of an hon. member, who is not present, to Washington. I differ from him, and a subsequent passage of his speech conflicts greatly with that statement. He said the agriculturists of Ontario were remarkably prosperous, while manufacturers had lately been withdrawing their capital and reducing their production. The natural conclusion from these two statements would be that we