

CURRENCY AND BANKING RESOLUTIONS.

(COPIES of these Resolutions, to be moved by the Minister of Finance to-day, were laid before the House on Tuesday, and explanations given by Mr. Hincks.

We give them in full elsewhere, and will merely here give an outline of what is proposed therein.

UNIFORM DOMINION CURRENCY.

The Resolutions provide that after July 1, 1870, the present currency in force in Ontario, Quebec and New Brunswick, shall be extended to Nova Scotia; that all payments intended to be made in the present Nova Scotia currency, maturing after that date shall be made in Canada currency, at the rate of 73c. for every 75c. of the Nova Scotian currency; that after that date, no notes payable in any currency except that of Canada shall be issued; that silver and copper coins as specified by proclamation, are to be legal tenders to the amount of \$10 and 25c. respectively, in any one payment, and that British silver and copper coins are also to be legal tenders for similar amounts as the foregoing, at rates to be assigned them.

DOMINION NOTES.

The Resolutions provide for the repeal of a portion of the Dominion Note Act, of 1866, except in so far as the Bank of Montreal is concerned, until existing arrangements with that bank terminate. They further provide that Dominion Notes to the amount of four millions of dollars may be issued on the security of Debentures of the Dominion to a like amount, an increase of this amount to be authorized to the extent of seven millions, the Receiver General to hold one-fourth of the whole amount in specie; that any amount of Dominion Notes in excess of the amount authorized may be issued, provided specie be held by the Receiver General for every dollar so issued in excess, that certain changes may be made in the present mode of redemption, and the payments therefor, except as regards existing arrangements during their continuance; and that monthly statements of notes issued and specie and debentures held for their redemption are to be published.

THE BANKING MEASURE.

The Resolutions provide that the capital of every bank must not be less than one million dollars, twenty per cent. to be paid up before commencing business, and the balance within five years, at the rate of not less than twenty per cent. each year; that note circulation shall not exceed the paid-up capital, and that no note of a denomination less than four dollars shall be issued; that shareholders shall be liable, as now, for an amount equal to the amount of their shares, over and above any amount unpaid on these shares, and that in case of suspension by a bank continuing for six months, the directors shall make calls to an amount necessary to pay all debts and liabilities of the bank, without waiting to realize its assets; that the liability of shareholders be not removed by the transfer of shares, if such transfer take place or be registered within three months before the commencement of suspension; that the tax on circulation shall cease; that the total liabilities of a bank shall never exceed the aggregate amount of its specie and legal tender reserves and three times its paid-up capital; that suspension for ninety days shall cause a forfeiture of the bank charters; that no dividends in excess of 8 per cent. per annum shall be paid until the bank has a rest at least equal to 20 per cent. of its capital; that certified lists of shareholders and the number of shares they hold shall be laid before Parliament every year; that directors must each hold at least five thousand dollars of stock, and that in the aggregate they must hold not less than five per cent. of the whole capital stock; that average returns are to be made to the Government monthly, signed by the President and Cashier, specifying separately, the amount of capital authorized, subscribed and paid up, the circulation, Government deposits payable on demand, Government deposits payable after notice, or on a fixed day, other deposits thus payable, due to other banks in Canada, and to banks or agents not in Canada, other debts or liabilities of any kind, specie, Provincial notes, notes of other banks, balances due from other banks in Canada, and from other banks or agents not in Canada, Government securities, loans on current account to Government, to railways to other corporations, and to directors or firms of which directors are members, other discounts current, discounts over due and not specially secured, over due debts secured, bank premises, and other real estate, the returns also to show the proportion of assets and liabilities held in

each of the four Provinces; that the bank shall always receive its own notes at par, at any of its offices, but shall not be bound to redeem them, except where made payable; and that the bank shall always hold at least half of its cash reserves in Dominion notes.

These resolutions are, as will be seen, of quite a different character from those of last session, and will probably give quite as much security to creditors of banks, while still leaving them a certain proportion of note circulation, and allowing more elasticity therein. Sir Francis, in his speech on Tuesday, stated that theoretically he was in favour of a Government Bank of Issue, but, practically, the people were not educated up to it, and he did not believe they would be willing to accept it. But he did think the country should have some benefit from the note circulation and this he proposed to obtain through compelling banks to hold half of their cash reserves in Dominion notes, and in taking away the privilege of issuing small notes under four dollars. The debate on these resolutions will take place to-day, and will probably occupy some time, although we fancy there will not be much opposition as to the principal features of the measure.

LEGISLATION TO REMOVE SURPLUS SILVER.

THE foreshadowing in the "Silver" Circular of the Finance Minister, of his intention to ask for such power as would enable him to secure his purpose of driving United States silver coin from the country, has caused much discussion throughout the country both amongst newspaper writers, and merchants and the people generally. We believe it to be the intention of Sir Francis to propose in Parliament such legislation as will (in case the proclamation issued and the general desire of the merchants to get rid of it, fail to induce the sale of the silver to Government for exportation) make the payments of wages in United States silver, except at their legal tender value, void, as if not made, giving to the laborer the right to sue for the full amount so paid in the uncurrent coin, until the debt should become outlawed by the lapse of time. We do not intend at this time to discuss the general question of currency legislation, and its failure ordinarily to bring about the ends desired; we wish at present merely to write a few words as to the probable effect of such a measure in relieving the country of what is now so generally looked upon as a nuisance, and denominated as such.

As everybody knows, proclaiming that one dollar in United States silver coin shall not be legal tender for more than eighty cents, will not, nor can it, have the effect of reducing the current value of that dollar in any way, as it now has no legal value whatever, and is maintained at or near par by the force of custom, combined with the intrinsic value of the coin. So that any proclamation or legislation tending to make it pass at a fixed rate below its intrinsic value must of necessity prove a failure. But the intention of Government is not to have it pass at 80c, but to drive it out of circulation altogether; and this they propose doing by throwing every obstacle in the way of its passing from hand to hand. They want to create, in some way, such a feeling that none will be disposed to accept American silver in settlement of accounts, and thus compel those who hold it to sell it to Government agents direct, for exportation, or else to private brokers, who if they buy will also be compelled to export, from lack of demand for home circulation. Further to bring about the desired result of impeding the free circulation of the objectionable coinage, it will probably be deprived of its power of satisfying debts, in certain classes of payments, even although receipts may be given, acknowledging settlement. Many people may regard anything of this kind as an uncalled for interference with the liberty of the subject to accept whatever he pleases as payment for a debt due to him. They may say—if a man chooses to cancel a claim by taking therefor a pair of old boots or any thing else, whose business is it, or why should Government step in and make void a settlement agreed upon between the parties interested? Generally speaking, we should be disposed to ask the same question, but desperate diseases require desperate remedies; and if the people, speaking through their representatives at Ottawa, are now disposed to adopt severe measures, and by yielding up a certain right which they—to their own injury—now possess, get rid of an acknowledged evil and obtain a uniform currency, who can find any fault with them?

As to the other part of the plan, viz. that to furnish fractional currency for immediate use to supply the vacancy proposed to be created by the purchase and

exportation of the coinage which now does the duty of currency, we think the Finance Minister is unquestionably right. A sudden scarcity of change would be a very much greater nuisance than any redundancy of it, and would inevitably lead to a variation in the value of silver in the opposite side of the scale from the present variation. That is to say, people would gladly pay a premium for silver wherewith to make change, just as they now have to submit to a discount to get rid of it. It is not intended to in any way force the people to take the fractional notes. They will be needed to supply the place of the American silver, and they will be obtainable at the counters of any of the banks which may take part in carrying out the details of purchase and exportation. The coinage of Canadian 50 and 25 cent pieces is another indispensable step in the movement to regulate our silver currency, and they are to be furnished to the country as quickly as they can be minted. As the dies for the smaller Canadian coins are already in existence these latter can be furnished with very little delay, and the orders for them as well as the halves and quarters have been sent to England some time since.

Now that there seems to be hope of having a proper silver currency of our own, we hope the Finance Minister will turn his attention to the copper coinage, which is in a very much worse condition even than the silver, and that he will adopt some plan to remove all the pence and half pence that now choke out the decimal currency.

A T L A S T !

AFTER much and very unnecessary delay, the public at last are placed in possession of partial information concerning the amount of legal tender notes held by the Banks. We publish to-day an official statement, showing the total average circulation of Dominion Notes, and the amount held by the Banks in place of coin, during the seven months ending January 31st last, as also the circulation of the chartered banks for the same months. From this statement it will be seen that of the Dominion Notes issued, about one-half on an average were held by the banks, and did not go into actual circulation. It will also be noticed that bank note circulation was displaced to a comparatively small extent by the legal tenders, the latter forming only one-fifth of the entire paper currency. The proportion of the reserves held in legal tenders in January last, was about one-sixth.

The Banking Resolutions introduced on Tuesday, provide new forms for statements to be furnished by the Banks, and these are to show separately the amount of Dominion Notes and specie held as reserves.

AGRICULTURAL MUTUAL ASSURANCE ASSOCIATION OF CANADA.

THE annual general meeting of the above Company was held in London, on 16th February, Mr. Vining in the chair.

From the annual statement, we learn that the losses during the year 1869, from lightning, including the storm of April 18th, amounted to \$4,893, while the entire number of losses notified amounted to 164, and paid for, 166 amounting to \$42,317, of which \$1,672 belonged to previous years.

The company holds in cash and Dominion stock, \$48,010; other Assets, \$180,762.

The Liabilities are placed at \$2,000. The number of insurances effected in 1869, was 11,141, as under:—

Cash system.....	7,422
Premium note do.....	8,718
The number of policies lapsed or cancelled in 1869, was 9,277; leaving in force on 1st Jan., 82,522.	
The Assets consist of:—	
Dominion Stock.....	\$25,000
Bank of Commerce.....	16,825
Merchants Bank.....	6,688
Postage Stamps.....	699

Total.....\$48,010

The other Assets comprising the balance of capital account, include:—

Premium Notes available.....	\$147,809
Agents Dr. (secured by due bills from members).....	13,697
In course of collection.....	11,362
Now due.....	3,814
Furniture, &c.....	4,600

Total.....\$180,762

A sum of \$400 per annum, was voted as salary to the President, and Cromer Wilson, Esq., M.P., was subsequently re-elected President, and W. H. Vining, Vice-President of the Company.