

securities, and partly in gold, he lays himself open to the objection that the effect of such a scheme would be to diminish the supply of gold held by the nation. Mr. Goschen strongly objected to Mr. Fowler's proposition, because it would diminish the amount of gold in the country, and nothing would induce him to lessen the extent to which our currency rested on gold. Mr. Gladstone seems to hold the opinion that it would be desirable to issue £1 notes, and he pointed out the entire fallacy of imagining that the large amount of gold, which, under the present system, is necessarily required to conduct the cash transactions of society, would better enable the nation to encounter monetary crises. The *London Economist* in an article published towards the end of last year stated that "there is a strong and growing opinion in England, that the prohibition against the issue of £1 notes is unwise and injurious." Mr. Grenfell, Governor of the Bank of England, agreeing in opinion with Mr. Gladstone, that the gold in general circulation would be unavailable in the case of a crisis, thought that in emergencies, such as the case of a great war, paper might be advantageously substituted for gold.

Mr. Weston is apparently desirous of making an addition to the money of the commercial world by an issue of £1 notes based on securities, which is what Mr. Fowler has proposed, his fixed issue being £25,000,000, and his conviction being that the new issue would never fall below £30,000,000. The writer in the *London Bankers' Magazine* has very unnecessarily complicated the question by undertaking to discuss "to what extent the issue department can help or hinder the banking department?" The professed object is to provide greater accommodation for the public, but it must be borne in mind that in view of the low rate of interest prevailing in England there is no occasion whatever for extending the means of the Bank of England to afford such accommodation. We have noticed with regret that in none of the contributions on the subject has the very important point been discussed as to the expediency of providing a national reserve of gold to meet the emergencies which have arisen on three different occasions since the enactment of 1844, owing to financial crises. It would be irrelevant on this occasion to discuss the peculiar circumstances which have invariably compelled the banking department of the Bank of England to use all its efforts to sustain the public credit at such periods. In September, 1866, after the Overend, Gurney & Co. panic, Mr. Holland,

Governor of the Bank of England, stated in an address to the proprietors: "We could not flinch from the duty which we conceived was imposed on us, of supporting the banking community." During the previous May the rate of interest had advanced to 10 per cent, falling to 8 about the middle of August to 5 in September, and to 4½ on 3rd October. Now during this fearful crisis, May, 1866, the banking department increased its loans by about £13,000,000 or from a normal amount of "other securities" of about £20,000,000 at the beginning of the month to upwards of £33,000,000 at its close. During all this time the Bank held about £11,000,000 of Government securities, and although the reserve in the banking department was reduced to little over £400,000 prior to suspension of the Bank Act, there was about \$11,000,000 in the issue department. In October, 1847, and November, 1857, the Act was suspended under similar pressure, although the reserve was on neither of those occasions so low as in 1866. That similar crises are likely to occur must be sufficiently obvious, and yet no attempt has been made to provide a remedy, which is perfectly simple, which has been more than once pointed out, and to which we are unaware that any objection has been offered, while we happen to know that one eminent authority, the late Professor Jevons held the suggestion to be good. Instead of issuing £25,000,000 of £1 notes on fixed securities let them be issued as the other notes are, on gold alone, the effect of which would be to add that amount to the bullion held by the issue department. Let the issue department be authorized to loan its notes to the banking department on a deposit of government securities whenever the rate of interest reached say 6 per cent, and let the Bank be required to raise the rate to 6 per cent, whenever its reserve fell below eight millions. Of course there would be danger of the Bank keeping an inadequate reserve while the rate of interest was low if it knew it had the issue department to fall back upon. It seems to be absolutely necessary that the issue department should be strengthened, so as to be in a position in times of emergency, whether of war or panics, to come to the assistance of the nation on conditions of perfect security. In regard to the cost of the recoinage of the gold sovereigns, a measure, which it is almost universally admitted, is absolutely necessary, there ought to be no hesitation in undertaking it at the cost of the nation, which is the view taken by the *London Quarterly*.

## THE CENSUS AND ITS CRITICS.

The third volume of the Census of 1881 having received adverse criticism at the hands of some newspapers, Mr. J. C. Tache, the commissioner, has come to the rescue, in a pamphlet of about a dozen pages, in which he certainly throws some light on the subject of the apparent inconsistencies, and shows himself not less able than his critics to wield the satirical pen. He not unreasonably states that "it is a false notion to compare the operation of such inquiries"—made in compiling a Census—"to the work of book-keeping and of balancing commercial or financial accounts. To impugn the results of a Census and question its immense usefulness because errors of detail are detected in it is just as absurd and mischievous as would be an assault on the whole machinery of postal or customs service because a certain number of letters get astray and certain inaccuracies are found in reports." In the relation between Numbers of Dwellings and Houses owned he says his critics have overlooked the fact that in the new Territories, shanties, tents, wigwams and vessels afloat are enumerated as dwellings, although they cannot come under the head of houses owned; and that houses owned by non-resident persons or companies are not to be included in the number of houses owned in Canada, although they are Canadian dwellings. We can illustrate this latter explanation in our own case. The error of the critics, in this instance, is such that they have dwelt on the fact that in the Territories there are only 1,242 houses owned by Canadians for 11,652 occupied; when the Census shows that 9,357 of these dwellings are not houses, but the lodges of nomadic populations. There is another reason, says Mr. Tache, which influences the difference in a greater ratio, coming from the fact that many—a great many—houses built and owned as one immovable property form two or more separate dwellings or abodes. By instruction, the enumerators were thus ordered in regard to dwellings to be entered in table I: "A separate house is to be counted wherever the entrance from the outside is 'separate.' Hence, when the Census gives (1881) 753,017 occupied dwellings it includes 116 vessels, and 14,692 shanties, tents or wigwams when it gives 738,209 houses as dwellings; occupied, and only 712,440 owned, it is not only *prima facie* correct, but it also conveys the information, worth having, that there were in 1881 about 25,000 houses with double separate dwellings.