must almost inevitably attend it in the future. If it were necessary I should go on to refer to the circumstances which attended the failure of the Commercial Bank of Canada, the failures of the Bank of Westmoreland and the Central Bank in New Brunswick, and the failure which occurred only the other day of the Commercial Bank of New Brunswick. All these failures have occurred within a few years—and in the case of all of them, the circulation at the time of the failure was found to be very large indeed in proportion to the amount of funds that was found in the vaults, available for the bill holders. I do not wish so much to trace the causes of the failure of these institutions to the system, as to point out that, when the failures did occur, the system was found to work very serious and very great detriment indeed to those persons who were not voluntary holders of the notes of the Banks but who were compelled to take them as the circulating medium of the country. And I refer to this for the purpose of showing how important it is that we should be guided by some general principle in this matter, instead of having a large number of institutions existing with very diversified provisions in respect of the terms on which they can issue their circulation. There are at this moment in the Dominion, I think, about 40 or 42 chartered banks, with capitals varying from $60,000 to $6,000,000. And I will shew—without mentioning names—what is the proportion borne by the specie of some of those Banks to their circulation. One Bank, with a capital of $129,000, has an average circulation of $154,000, and a specie reserve, by the last statement, of only $12,000. Another, with a capital of $200,000, has a circulation of $205,000, and but $29,000 of specie. A third, with a capital of $72,000, has a circulation of $154,000 and only $32,000 of specie. And now I wish to call the attention of the House to this point, that although the past management of our Banks under the system I have just explained may not have been attended with any general or overwhelming calamity to the country, the case is entirely different when we come to consider the danger of perpetuating such a system under the altered circumstances in which we now find ourselves when we are no longer merely a number of isolated Provinces. Hitherto the conservative management of the Banks has been aided by the fact that the various Provinces have been separated from each other commercially and politically. The sphere of the operation of a Bank hitherto has been confined to its own Province, and possibly to its own special locality. The difficulty of communication prevented the circulation from extending all over the country. There is the fact too that the management of the local Banks was generally in the hands of men who had a local standing both socially and commercially, which they would inevitably lose by the suspension of the Bank with which they were connected. But that state of circumstances has passed away and now that the Provinces are connected politically; now that they are every day becoming more connected commercially; now that the means of communication between all parts of the Dominion are becoming more and more rapid and easy; now that we have a prospect that in a very short time the operations of any of our Banks may extend