

coalition was formed in 1864, between the Hon. Messrs. John A. Macdonald and George Brown, and Confederation adopted as the basis of the Government. Mr. Aikins, like nearly all the Western Reformers, gave his adhesion to the course then pursued, and was from that time up to his acceptance of office, an independent supporter of the Government. Though not distinguished as a public speaker, Mr. Aikins is a man of clear judgment and excellent business habits, and enjoys a considerable amount of personal and political influence in his own part of the Province, where he is widely known and esteemed.

CALENDAR FOR THE WEEK ENDING MARCH 12, 1870.

SUNDAY, March 6.—FIRST SUNDAY IN LENT. Michael Angelo born, 1474.
 MONDAY, " 7.—*Perpetua, M.* De Monts sailed for Canada, 1604. Admiral Collingwood died, 1810.
 TUESDAY, " 8.—Raphael born, 1483. Administration of Hon. S. Smith, 1826.
 WEDNESDAY, " 9.—Americus Vesputius born, 1461. Cardinal Mazarin died, 1661. William III. died, 1702. Battle between the "Merrimac" and "Monitor," 1862.
 THURSDAY, " 10.—Prince of Wales married, 1863.
 FRIDAY, " 11.—Tasso born, 1544. First Daily Newspaper printed, 1702. Surrender of Badajoz to the French, under Soult, 1811.
 SATURDAY, " 12.—*Gregory, M. & Co.* Desjardins Canal Accident, 63 lives lost, 1857. H. R. H. the Duke of Edinburgh shot at by O'Farrell, at Sydney, 1868.

THE CANADIAN ILLUSTRATED NEWS.

MONTREAL, SATURDAY, MARCH 5, 1870.

On Tuesday last the cardinal measure of the Session—that relating to Banking and Currency—was explained in the House of Commons by Sir Francis Hincks in a lucid speech occupying an hour and a half in delivery. Three distinct matters are treated of, the Dominion notes, the Banking law, and the Currency; but they all belong to the same general subject of the standard medium of exchange, whether that be money or currency in lieu thereof. It is proper, therefore, though they may be legislated upon by three separate acts, that they should first be discussed together, and hence resolutions on the Dominion notes, on Banking, and on a uniform Currency, have been distributed among the members of Parliament, and are to be taken into consideration at the same time.

The Minister of Finance condemns the legislation of 1866 with reference to the Dominion notes, and is not surprised that the scheme has not worked well, because it was only entered into by one of the banks, thereby placing that bank on a different footing from all the others. It should be remembered that the law passed in 1866 was not the bill as introduced by the Hon. Mr. Galt; but a very material modification thereof. It is, therefore, impossible to pronounce upon what would have been the practical effect of the financial policy of the Government of 1866 had it been fully carried out. At that time "the public mind was not educated to that degree" which warranted Ministers in pressing the adoption of a policy in the soundness of which it may be presumed they had every confidence, otherwise they would not have proposed it. Sir Francis himself will not be surprised at this when he finds, after a lapse of thirty years, that the country is not yet "educated to that degree" which will warrant him in proposing his scheme for the establishment of a Government Bank of Issue. To some extent the same remarks will apply to the proposed financial policy of the Government last year. As that policy was laid before the country it had very many features to recommend it; many of the objections to it were unsound; but it was hampered with several provisions, which, doubtless, rendered its abandonment a wise course, irrespective of the fact that "the public mind was not educated to that degree" which would enable it to appreciate the merits of such a radical change as was then proposed.

With the knowledge of the facts that the leading members of the Government approved the Provincial Note Scheme as first introduced in 1866; and that they approved the leading features of Mr. Rose's resolutions in 1869, it may fairly be assumed that the resolutions introduced by Sir Francis Hincks are calculated for the latitude of that particular "degree" up to which the public mind has now been educated upon this perplexing and bewildering subject. If so, it is not improbable that they go quite far enough. Modified as the proposals of the Finance Minister are from those of his predecessor, he will have to fight a hard battle with some of the extreme eastern and western banking institutions of the Dominion before he obtains the sanction of law for his scheme. But for many reasons, there need be no doubt of his success. The renewal of the Bank Charters on some basis is a necessity; the reform of the Dominion Note System is

desirable; and the establishing of a uniform currency throughout the country almost imperative, unless the Government abdicate its legitimate functions. In addition to these considerations, all favouring the adoption of at least some new policy, there are to be considered the positive advantages which the Finance Minister offers the country—uniform currency; increased, and, as we think, ample security to bill-holders; compensation to the Banks for diminution of circulation by abolition of the tax on what may remain; and profit to the country at large by the circulation of a certain amount of Dominion notes.

The Government proposals are, briefly, with respect to Dominion notes:—

To terminate the existing arrangement with the Bank of Montreal, for the issue and redemption of the notes, when the contract with it expires, and to abrogate the conditions on which banks might substitute an issue of Dominion notes for their own: To provide for the issue of \$4,000,000 Dominion notes at any one time, the same to be increased to a sum not exceeding \$7,000,000, in additional issues of not more than \$1,000,000 at a time, at intervals of not less than three months, for the redemption of which specie to the amount of one fourth the circulation shall be held in reserve: To issue, from time to time, such further amounts as public convenience may require, keeping for the redemption of the excess over the seven millions dollar for dollar in gold: To establish branch offices of the Receiver-General's department at Montreal, Toronto, Halifax, and St. John, N. B., for the redemption of the notes, &c.

The advantages of the foregoing provisions are obvious. The great expense of managing the Dominion note circulation will be almost extinguished, or at least so far reduced, as to silence the reproach that these notes represent a costly loan to the Government. But the merits of this part of the scheme can only be appreciated in connection with the proposed Banking policy, the resolutions on which provide:

That no new bank be chartered with a capital less than \$1,000,000: that no bank shall issue notes in excess of the amount of its capital, or in denominations less than \$4: that the "double liability" of shareholders shall be liable to enforcement almost immediately on the suspension of the bank, &c.: with many other provisions calculated to protect the public interest and guarantee the proper management of banking institutions.

There are two especially new features in the measures introduced by Sir Francis Hincks: the abolition of the so-called "monopoly" of the Bank of Montreal over the Dominion note circulation, and the establishment of a Government monopoly of all the note circulation of the country under \$4. The restriction of the banks to that figure as the lowest denomination of notes leaves the field clear for the \$1 and \$2 notes of the Dominion; and another provision that half the bank reserve be held in Dominion notes guarantees the absorption of a large amount of this particular currency. Hence we can understand why four, and any larger sum up to seven millions of dollars may be issued in excess of the sum already authorized, because according to the Bank returns of the Provinces of Ontario and Quebec for the month of January the "coin, bullion and provincial notes" held by the banks amounted to \$14,183,411. Now, if we add the banks of the Lower Provinces, it is not too much to say that the banks' reserve of the Dominion amounts to about \$16,000,000, one-half of which, according to Sir Francis Hinck's proposal, must be in Government notes. The amount of these notes at present in circulation is less than five and a half millions, so that all that are now out and two and a half millions more would be locked up in the vaults of the banks.

The question then arises, will the additional seven millions supply the extra amount required for bank reserve as well as the small note circulation? This is very doubtful. Sir Francis estimates that circulation at two millions and a half of dollars; but when some three or four millions of American silver are driven out of circulation, these two and a half will surely swell to four or five millions. Besides this the banking capital of the country is increasing very rapidly; the present requirement of eight millions of dollars for bank reserve will doubtless in two or three years be increased to ten; and at the same time it is to be presumed that Dominion notes of the larger denominations will also keep afloat in the circulation of the country.

These considerations bring us to one point which appears objectionable in the Finance Minister's scheme. When the seven millions are exhausted, as they will be, the extra issue is to be provided for, dollar for dollar, in gold. Why? For no other apparent reason than not to alarm the banking interest. This may be good policy, but if the Government cannot issue beyond a certain limit at a profit to the country, it ought not to issue at all. Every dollar beyond the stated limit issued for "the public convenience" will be issued at a loss to the public. The gold

it represents might better be allowed to do duty for the note; but we do not see why the extra issue demanded by "public convenience" ought not to be made upon the same security as the other—a twenty five per cent. specie reserve. However, as already remarked, it is more than probable that in this direction the Finance Minister has gone quite as far as the present state of the education of the public mind upon the subject will warrant.

The resolutions on the currency provide for the assimilation of that of Nova Scotia to the other Provinces on and after the 1st of July next; reaffirm the standard value of the British sovereign at \$4.86½; provide that silver coins at the rates fixed by law or proclamation be legal tender to the amount of \$10, and copper coins up to 25 cents. These resolutions will meet with no hostility, except, perhaps, from the Nova Scotians, whose present currency is of lower value by 2½ cents on the dollar than that of the rest of Canada. But no doubt the Nova Scotians generally will gladly consent to the temporary inconvenience which the change will cause for the sake of the great advantages that will accrue from it.

THE NORTH-WEST TERRITORY.

THE MORE FERTILE PORTIONS—Continued.

NO. 6.—WINNIPEGOS AND MANITOBA COUNTRY.

By the Rev. Ed. McD. Dawson, Ottawa.

The regions bordering on Lakes Winnipeg and Manitoba are admirably adapted for colonization, not only on account of the fertility of the soil and the excellence of the climate, but also because of the great facilities which they possess for the purposes of travelling and commerce. It is scarcely possible to imagine a country, where, even in its unclaimed state, there are fewer impediments to locomotion, whether by land or water. The gentlemen of the several exploring expeditions found no difficulty in traversing the country in all directions, on the lakes and rivers, over the prairie lands, in the woods, and through the more hilly regions. Throughout the level tract, about one hundred and fifty miles in length, bounded on the East by Lake Winnipeg, and extending in breadth one hundred miles, to Lakes Winnipegosis and Manitoba, roads of all kinds could easily be made. This fertile plain is particularly well adapted for railways. They could be constructed without tunnels, viaducts, costly excavations, and the still more expensive fitting-up of almost bottomless swamps. The more hilly regions to the west of the inland lakes present almost equally great facilities for railway making. The iron way could be made to wind throughout the valleys with only a few bridges, here and there, for crossing the streams. They could even be made to ascend the highest mountains of the country, without any serious engineering difficulties, the ascent being gradual, and the greatest height only a thousand or fifteen hundred feet above the neighbouring plain. That railway enterprise will be carried this length at some not very distant day, there can be no doubt, especially when the advance westward of population shall cause to be developed the coal seams which are said to exist in the Porcupine and Duck mountain ranges. Meanwhile the extensive lakes and numerous streams, so many of which may be navigated by the smaller kinds of floating craft, will do duty in the absence of the iron-horse, and render easy and inexpensive the conveyance of men and merchandise. Should coal not be found in sufficient quantity at the points referred to, this important element in the working of railways could be brought from the neighbouring country of the Assiniboine.

Already, without railways or made roads of any kind, access can be had to all parts of the country, even to the highest plateau summits from which flow the more important streams. The few nomad aborigines, who at present occupy the land, travel in all directions, without any difficulty, in search of game. They find their way also to the best fishing grounds, however distant, partly on foot, and partly in their light canoes. It has been shown, in a former paper, that no fewer than fifteen families of natives proceed, every year, as far as the "grand rapids" of the Saskatchewan, to fish for sturgeon. This fact alone suffices to shew how abundant this rare and valuable fish must be in the waters of the great Saskatchewan. The tracks of these aboriginal occupants of the soil have opened the way to several exploring parties; and these, in their turn, have opened the country and pointed out available roads to all who may, at some future day, seek their home under the auspices of the new order which will shortly be established, along the western shores of Lake Winnipeg, and around the more inland waters of Lakes Manitoba and Winnipegosis.

No country could enjoy greater facilities of communication with other lands. The inland chain of waters can be navigated to within a very short distance of the Assiniboine and Red River. The Settlement on the latter river may also be reached by sailing craft through Lake Winnipeg and the lower part of Red River. The Saskatchewan Territory can also be reached by navigable waters. The Little Saskatchewan, a river of great breadth although not very deep, connects the system of inland waters with Lake Winnipeg, whence the Saskatchewan is accessible to suitable sailing craft. From the western shores of the lakes, large canoes and even more capacious vessels can ascend to the base of the hills. Such facilities for inland navigation as well as easy access by lakes and water-courses to