

footing as shall be most desirable to the Shareholders. With the Shareholders should also rest the question as to how much discount may be given to Directors or others—the places at which Bank agencies may be established—and in many other ways they should get more direct control impelling them to exercise a more complete and continued supervision of the affairs of the bank, thus placing a check on any unwholesome course of the Directors. The Shareholders under our measure need no longer allow the Directors to manage affairs as they like, for it gives them such opportunities of supervising the affairs of the Bank that they will have themselves only to blame when anything goes wrong. Then we propose to afford better means of enforcing the double liability which attaches to some Bank charters. We also propose to provide that when a Bank shall cease to redeem its circulation in specie, after a certain period a Receiver shall be placed in it, and its affairs wound up. There is one leading feature of the scheme which I ought perhaps to have brought more prominently before the notice of the House. It is proposed that the notes to be given by the Government to the Banks in exchange for the Government securities shall be legal tenders everywhere, except at the one place of redemption. One object which it is believed this arrangement will in a great degree accomplish, will be to prevent any senseless panic with reference to the circulation. It is not likely, under such conditions, that there will be anything like a run on any of the Banks, because if a Bank's notes are a legal tender everywhere, except at the one place of redemption, there will be no motive whatever for running to get gold for them; and, in addition, the public at large will be placed in a much better position for these notes circulating throughout the whole Dominion, would not be subject to discount in any of the Provinces. (Hear, hear.) It is proposed to make the notes redeemable in the chief city of the Province in which the head-quarters of the Bank are.

MR. MCKENZIE.—The hon. gentleman takes credit to himself for avoiding in this way the payment of any percentage. But is that really avoided? I say nothing is gained; for in fact, whenever anyone wants to get the gold he must pay a percentage.

HON. MR. ROSE.—The notes are made a legal tender for every purpose whatever. Gold will then be wanted only for foreign exchange.

MR. LAWSON.—Are the notes to be made redeemable by each Bank issuing them?

HON. MR. ROSE.—Undoubtedly. The notes are to be redeemed at its head office.

MR. YOUNG.—Each Bank will only redeem its notes in specie at one point?

HON. MR. ROSE.—The redemption must be made in the chief city of the Province where the head quarters of the Bank are.

MR. LAWSON.—That is—the redemption is very much the same as that of notes at present?

HON. MR. ROSE.—The same.

MR. GIBBS.—If a bill is payable in Halifax, and a party in Toronto