

encouraged and trusted to them, and to their own superior shrewdness animated by an eager love of dividends. But, is that any reason why we should try, by law, to prevent the required, yet gentle, lessons of experience which alone can teach such people?

The principal losses sustained in Banking have not been in the depreciation of the currency. Experience has shown it is well protected by our existing legislation. A closer watch kept by a Government Bank Inspector, aided by an improved system in the monthly returns, would have prevented these entirely. As it is, the loss that has occurred to the public through the currency is but slight compared to the amount issued. These losses were sharp, decisive, local, and soon ended; while, if Government should assume the sole issue, and by any change in our policy, folly in the administration of our finances, or war, entailing upon us a greater debt than we can readily defray, the government currency should be depreciated among other nationalities, *all* the currency in the country would be at a discount. By our present system only a portion could be. A depreciation of five per cent. even on \$25,000,000 of government currency for one year, such currency passing as it does from hand to hand many times during that space of time, and always, in such a case, at fluctuating values, would be a far graver evil and calculable loss than the half million or so of dollars which is all that Canadian history can lay to the charge of its present banking currency. By all means let us retain that liberty to trade in money which we have hitherto used so well.

Be it remembered also that no government issue of currency can do anything whatever to prevent Bank failures by which shareholders suffer loss. If shareholders desire to trade in money they must learn to do so prudently.

Some outcry is made regarding the privilege granted to Banks to issue currency, and so borrow to that extent from the public, free of interest. It is thought that Government, as representing the people, might do this borrowing itself, and so save the interest. The idea sounds well certainly; yet it is not sound. The Banking currency is, in round numbers, generally about 20 millions, against which the Banks keep a reserve of about 6 millions lying idle in their coffers, so that only two-thirds of their issue is really borrowed. For this two-thirds they have to perform a service to the public which costs money. Banks have to maintain offices at various points, and a special staff of clerks to do this special work of issuing and redeeming the currency. Would this service be likely to be done more cheaply by the Government? Could it meet the public's needs at less cost by establishing its own offices, clerks and facilities for issue and redemption at every trade centre in the Dominion? That is the question to be decided. A moment's thought will lead to a negative conclusion. If it be proposed, on the American plan, that government only shall issue currency, but shall sell it to the banks, and make them do the work, allowing them only a low rate of interest for the money with which they buy such issue, are the banks likely to do the work for nothing? Either government must pay them for doing it, or else the necessary staff must be maintained out of extra rates charged for the remainder of the bank's capital which it is in a position to lend, or for the use of the bank's credit; and so, the public pay it in the end. There is no escape. If government, acting for the public, will not pay directly for work done, then the public must. The system is only an ingenious method of indirect taxation. It would not be difficult to prove it an expensive one. All indirect taxation is costly.

There is an element of danger attendant on the issue of government currency entirely through the banks, which has been pointed out already in these columns. A bank which knows its currency cannot need redemption, is tempted to use its credit more freely; must indeed do so to cover its loss of profit on its note-issue; and so the risk to shareholders is increased—not diminished.

That too much capital has been invested in banking in this Dominion is evident; but that is an error which inevitably corrects itself by shrinkage of values, just exactly as over-trading in hardware, groceries or dry goods brings its own cure. Government will act wisely, and in true interests of all, by a non-interference with that natural law which pervades the realm of finance, as efficiently as the realm of nature.

Over-legislation is always an evil, and cannot be too much dreaded or too vigorously denounced, when it touches so vital a question as that of finance, which is the back-bone of the whole commercial structure. Over-legislation is exactly the evil with which this devoted country is most grievously afflicted; and unless business men of means, who have ceased the struggle for additional wealth, can be found ready and willing to sacrifice ease, and enter parliament to serve the nation, our national progress will be seriously affected. We want business men of experience to represent us—men who can look dispassionately, free from personal motives, on the commercial aspect of every question that comes up—in parliament. Such men could put some effectual check upon the enthusiastic desire of each representative from the legal profession to distinguish himself by having his name and fame exalted, by appending both to some useless and pestilent bill which belongs by right to the genus "over-legislation."

Think it over, ye wealthy business men; act upon your thought, and earn the grateful memory of future generations, and the present reward of conscious usefulness.

Utilitarian.

## ERIN AND "SAXON."

"Saxon" states that "the demand for land in the British Islands has been so much in excess of the supply as to place the fixing of rent practically in the hands of candidates for occupation." This remarkable statement is on a par with the case of a railroad corporation wishing to send cars through the Victoria Bridge, when we find the Grand Trunk Railway (or the land-holder) saying you shall pay fifty dollars (or some such disproportionate charge) for each car; and another railway, wishing to have the privilege of sending cars also, offers the Grand Trunk seventy-five dollars per car in order to monopolize the traffic. In this case, these two railroads "fix the rent practically." According to "Saxon's" theory this would be a *just* proceeding, and I know would be done, but I question the justice of it; in fact, legislation is at this moment endeavouring to crush monopolies of this nature. In Ireland there are about twenty million acres and 744 persons are the owners of 9,612,000 acres; there are two million and a half tenants-at-will "liable to have their rents raised or notices of eviction served on them, and a process of ejection at the *will* of the person with whom they are connected, as they are liable to have no leases. The tenants are subjected to the fiercest competition for land," and are obliged to succumb to it, as there is no other industry for them to pursue except linen in the North so that in their struggles to retain the bit of land which supplies them with their daily food they become excited, and except any theories offered them resisting the officers and committing agrarian outrages *necessarily* the outcome of the preceding events, as it is allowable to suppose that every effect must have a cause. That a landlord has the *right* to evict a tenant under certain circumstances is true—under all circumstances, no; he has not the right to evict a tenant when that tenant would be liable to starve; he has not the *right*, though he may have the power. It is true that the landlord is obliged to give his land to the labourer, when the landlord has far more than is necessary for his own support; no landlord has the right to keep land for his *pleasure* when tenants are starving around him. That there are a very large number who can not pay is true, but that there are a very large number who will not pay, I am willing to accept on "Saxon's" words as "a newspaper report."

That bug-bear "Canadian loyalty" is championed by "Saxon," and it needs all the nursing it can get. The past history of Canada shows her loyalty, a slight instance of which may be found in the Annexation movement of 1849, participated in by Hon. John Molson, Sir John Rose, and Sir A. T. Galt. This movement was of more than local influence, and very little more would have fanned the breeze into a flame. In Lower Canada there are about one million Roman Catholics, the greater part of whom are French Canadians. Pass a law affecting the religion of these people, and they would rebel in a moment. Try to collect the tobacco tax properly, and your local government would be out-voted. Yes, they are very loyal; but they do not read much. The "blaze of loyalty" from Penetanguishene to Gaspé is a very pretty figure, but would be soon extinguished by the cold water of self-interest and protection.

That revolutionary changes are not the work of a day is doubtless true in many cases; but there are cases in which the change has been violent and abrupt. That the cause of the "chivalrous" South was espoused by millions is true; but that their espousal cost them fifteen million dollars is sad, especially when the espousal was denied. It is a very consistent espousal. As to the chivalry of the South, the veriest rat would show a certain kind of bravery in defence of its hole; but that the chivalry of the South, both before the war and during it, was of a high character, I deny. They rebelled and they lost. It is seditious to rebel, and it is, as "Saxon" says, just as seditious for the Irish to rebel against constituted authority. We have the published statements of English authorities themselves denouncing the land-system, and it is rather far-fetched for "Saxon" to say that it is "inconsiderately designated the pernicious land-system." It is very generally acknowledged by British authorities that the land-system is "pernicious"; that is, that it is not just. I would refer "Saxon" to page 64 of Kay's "Free Trade in Land," where he will find some of the pernicious tendencies of the existing land-laws detailed. I trust even "Saxon" will acknowledge Joseph Kay, Q.C., to be an authority, whether he agree with him or not. There is one blot on the land-laws which is well known. I refer to the law of primogeniture, as any law which exalts one child above another is in itself unjust; and in some cases, the eldest son is incompetent, through lack of intelligence, to manage an estate. That "Parnell" is a failure and a "slanderer" I believe, and follow "Saxon" in accepting "newspaper reports."

"Saxon" states "that it is not pretended to estimate Mr. Stephens's knowledge of these laws, and that it may be suggested that there are some things in connection therewith which seem to have escaped his attention." The first part of the above I claim that "Saxon" has no right to assert or state; it is purely gratuitous. His province should have been to confine himself to the knowledge (whether little or great) shown in my article. That some things have escaped my attention is certainly true; that they are salient, I do not admit. But it would have been proper for "Saxon" to have stated some of them, and it would have been more to the point.