

incomplete without some reference to his financial measures. He was a Minister fertile in schemes to keep the Treasury full. One of his measures, for the passing of which he relied, probably, more upon a disciplined majority than on the arguments advanced in its behalf, I have already noticed in his increase of the Dominion note circulation. The cognate plan to secure the permanent loan of one-half the cash reserves of the banks in the Dominion is also familiar. Another device, adopted in 1871, was the assumption of the Government savings banks established in the maritime provinces before Confederation. He further provided for starting new offices, and for converting Savings Bank deposits into five per cent. debentures. (34 Vic., cap. 6.) Post Office savings banks had been provided for under his predecessors.

The competition of the Government savings banks was a serious factor in the general banking situation for many years. The high interest (4 to 4½ per cent.) paid on deposits, and the lack of adequate restriction on the amount which individuals might deposit, diverted a considerable part of the sums ordinarily kept by the banks to the chests of the Government. Only in 1886 were precautions taken to correct these faults and limit the banking functions of the Government to custody of the savings of the poor, ignorant, and those unable to judge for themselves as to the security of their investments.

By a third scheme, chartered savings banks were now obliged to reorganize under general legislation, to provide a comparatively large paid-up capital, and to invest it in Government debentures. (33 Vic., cap. 7.) Insurance companies, both domestic and foreign, had been compelled in 1868 to maintain deposits with the Minister of Finance. All these measures were supported by the plausible plea of guarding the public interest, but it is not unlikely that they served that interest as much by helping to find the Government of the day with ample funds as by protecting individuals from loss.

The last item of the list, though hardly a financial measure, is quite as germane to our subject. In a statute of 1871 (34 Vic., cap. 4), provision was made for (a) expelling from the circulation the large amount of American silver by which Canada had been flooded since the suspension of specie payments