

terested in the various banks, that instead of setting themselves against any change which will tend to give the public more security—for that is the sole object the Government have in view—they will cordially co-operate with us in the attempt to place the circulation of the country on a sound basis. This is all we ask of them, their co-operation, and every man who is desirous that the general credit of the country shall be promoted by the establishment of a sound and uniform currency, should give us at least that. (Hear, hear!) Now, Sir, let me ask the attention of the House to some of the objections which may be made to the proposition of the Government. It may be said, that it will needlessly curtail the facilities which the Banks now possess for carrying on the business of the country. We propose that ultimately, that is to say, in seven years from this time—for I am willing to put the case on the most unfavorable footing as regards this argument—the footing on which the arrangement will ultimately rest, passing over the intermediate period of transition until the whole Banking system is accommodated to the ultimate results which the Government desire to bring about—we propose, I say, that ultimately, in seven years from this time, the whole circulation of the country shall be based upon Government securities. Let us see then how much the Banks will have to provide in that time, in order to accommodate themselves to that state of things. I have stated that the average circulation of the country is \$12,000,000, and I shall assume that this is the amount of circulation which we propose to have based on Government securities. At present I am taking the circulation of the Banks of old Canada, that is, of the Provinces of Ontario and Quebec as a whole. I shall presently consider the operation of such a scheme, as it affects the Banks of Ontario; but, just now, I am to consider its effect on the Ontario and Quebec Banks taken together. The circulation then is \$12,000,000. The average amount of specie which they held last year was \$8,900,000. They held also Government securities to the amount of \$3,300,000. These two amounts together make up in round numbers \$12,000,000. Well, it is proposed by the resolutions that the circulation shall ultimately rest upon Government securities, which shall be deposited by the Banks, and on which interest shall be paid to the Banks, an equal amount of secured notes being delivered to them in exchange. This will absorb the \$12,000,000. It is further proposed that, in order to meet these notes, the Banks shall keep a reserve of specie to the amount of 20 per cent of the circulation, and of one-seventh of their deposits at call. The general features of the scheme are simply these, that in return for Government securities deposited with the Government, the Government will deliver to the Banks circulating notes, on much the same principle as the National Bank Currency of the United States is issued. These notes will be of uniform appearance, and will bear on their face that they are secured by deposits of Dominion securities; the only difference between one note and another being that each will purport to be issued by the particular Bank to which it is delivered, and that the notes delivered to each Bank will be signed by an officer of that Bank.