

ated in necessity. I can see no reason whatever, for its introduction into the Dominion of Canada. Should it ever be adopted, the result, I feel confident, would be the ruin and bankruptcy of the whole Dominion.

The evil and fatal effects of issuing irredeemable bonds and promises to pay, will be apparent to any one taking the trouble to read the history of Law's Mississippi scheme, of the Ayr Bank in Scotland, the French Assignats, and of banking in the United States, during the period from 1834 to 1837. I may also here refer the Committee to the important events which occurred in the United States and Great Britain in 1857, involving the downfall of several Banks on both sides of the water; when the City of Glasgow Bank, the Western Bank of Scotland, and the Borough Bank of Liverpool suspended, as well as to the discussions on the principles of Banking and Currency in the several periodicals of the day.

Expansions and contractions may have been found necessary in the late Province of Canada, but they are by no means usual in Nova Scotia. Bank notes being restricted in amount to £5 or \$20, the circulation is necessarily limited, and consequently a run upon the Banks never happens. Gold is not, and never has been refused in payment of its notes by any Bank in Nova Scotia, whether chartered or not, except for a short time during the years 1833 and 1834, when the two Banks then in existence were allowed by an act of the Legislature, to make their notes payable in "Gold, Silver, or Provincial Treasury Notes," but the disturbed state of trade, which was the immediate consequence, caused not only a repeal of the Act, but the passing of another which prohibited Bank notes being redeemed in any other way than with gold, and also limited the issue of any promises to pay to an amount not under five pounds.

Promises to pay issued on the Security of Public Debentures, I have already said would be tantamount to an issue of irredeemable currency. An opinion, I am aware,