

000,000 to \$34,000,000—the Bank circulation having reached \$23,000,000, and that of the Dominion notes \$11,114,000. He wished to see our banking system made still more liberal, so that any number of individuals, on furnishing proper security, and registering the name of their locality and amount of capital, should have the right to establish a Bank; and he was sure that the intelligence of the country would support such a system, for it would place banking in the same position as all other business dealers in money.

Hon. Mr. BUREAU said that he considered the issue of Dominion Notes when prudently managed, could promote the public interests. The money now circulating might be doubly advantageous to the country. In the first place, it was a benefit inasmuch as we had not to pay interest on the Dominion notes. Again, the money we have to borrow in England for the construction of our public works, could be placed out at interest at a good rate—nearly equal to the amount we have to pay in England. Indeed, it might be shown that we would receive a benefit to the extent of making a saving of 8 per cent. by the circulation of our notes. The Government was to reserve 20 per cent., and that was quite sufficient in his opinion because we had the whole country as security, and the Government might at any time have gold for any amount; and in fact we had enough to meet our liabilities. The only thing of which he complained in the present bill was that there was no limitation as to the issue. If we looked to the experience of the United States to guide us, we found that the amount of the circulation of the banks was limited to some \$300,000,000, and comparing our population with that of the United States, we would be entitled to \$30,000,000. It was better for the Government to state definitely what amount they will require, but under any circumstances we must act with great care. The first time the Government issued notes, they asked for \$5,000,000, then they raised the sum to \$9,000,000, and now no amount was fixed, but the Government might issue as much as they pleased. One danger he apprehended was the patronage of the Government being handed to one favoured bank, and in that case a crisis might arise. In the month of September last, there was such a crisis because the gold was going out of the country into the United States where the market was a good deal better. The strongest institution had control of more gold than all the other institutions of the country combined, and the result was it had its

own way. When it required more gold for operations in the United States it went to the other banks and forced them to give it. Necessarily the banks were obliged to ask more for discount so as to pay for the gold they were obliged to get from the United States. The consequence was the banks did not respect their charters, but obliged persons applying to them for accommodation to pay 9 per cent. In September the Bank in question had in specie—in other countries, \$9,258,557, here \$1,577,093 or \$10,835,644, whilst all the other Banks in Ontario and Quebec had altogether only \$4,317,252; and hence it would be seen what power it held in its hands.

If the patronage of the Government is only to benefit one institution, if the deposits were not made of such a proportion as to prevent any run on a bank, there would be greater danger to be apprehended than now exists, of commercial embarrassment and bankruptcy. In the United States, the Government could always hold the keys of the position, inasmuch as the importations are paid in gold, and they have always in the treasury a quantity of specie to prevent every note circulated by the different banks is as at par, for it was considered as gold. If any persons combined to create a crisis with a view to speculation the Government were in a position to step in and prevent it. In this country, on the other hand, it was not possible to find gold in a moment. If the Government received the money for the Pacific Railway and placed it at deposit in a particular bank they could not ask for it at a days' notice. Since the British Government had found it expedient to withdraw the troops from the country, we were annually losing a great amount of gold—some million of dollars; and consequently we had to meet the expense of the defence of the country ourselves. Under these circumstances, the country was a loser to the extent of perhaps two millions of dollars. On the 30th April last circulation of the banks was \$23,307,658; of Dominion Notes \$10,129,575; fractional currency \$396,967; making a total issue of \$33,834,198. In specie the banks held \$9,002,522, and the Government \$3,023,368 for the redemption of Dominion Notes, making a total of \$10,060,090. From the foregoing figures it would seem that the circulation of notes was about the same in proportion to population as that of the United States. He did not know what the Government intended to do, but he thought it would be wise policy to fix the amount they proposed to raise under the present measure. They had