

"resorted to, excepting by Government, and is not likely to be attempted by individuals, and the latter (bringing money from the States) is attended with considerable loss, expense, and great risk.

"That specie is very sensibly decreasing in this province, and some safe substitute would be greatly desirable and tend to facilitate the trade of the province, particularly the export trade, which is often cramped by the heavy loss on bills of exchange, consequent upon the disproportion between the amount of them for sale, and the circulating coin. He therefore was of opinion that the institution of a bank would have a tendency to remove, at least in part, the inconvenience at present felt from the scarcity of the circulating medium, and be otherwise beneficial to the province. That such institutions had been useful in other countries, and though there might be difficulties here to encounter, in a matter so new to the bulk of the inhabitants, yet that he thought it would finally surmount these difficulties, and at all events merited a fair trial."

Here we find further corroboration of the facts of exchange already described. But while the need for currency was undoubted, the arguments used in favor of the bank are not altogether sound. Obviously the issue of a redeemable paper money by a bank would not check the export of cash from the country if its trade continued to require it. The notes would simply be exchanged at the bank for cash, and the cash exported. Neither would the issue of bank notes improve the sale of bills of exchange in Canada, since they would not alter the advantages from purchasing goods from the United States rather than directly from Britain. The bank notes could only improve the internal exchange mechanism of the country, they could not alter the character of the foreign exchanges.

The report was received and a bill brought in, which got as far as being ordered to be printed before going to the Committee of the whole House on its second reading. This is the bill from which I gave extracts in my first article, to show that it was copied from the charter of the Bank of the United States.

The growing need for a regular currency was felt by the more advanced settlements in Upper Canada, quite as much as