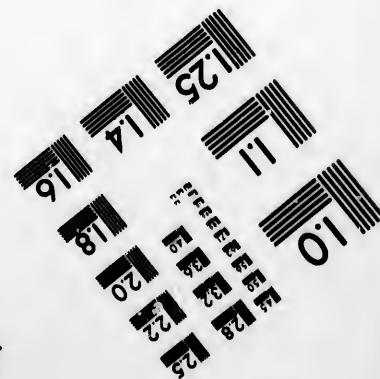
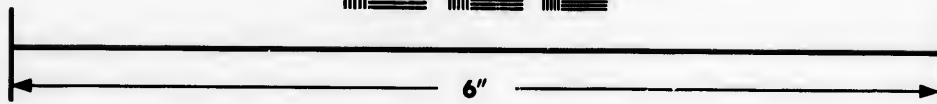
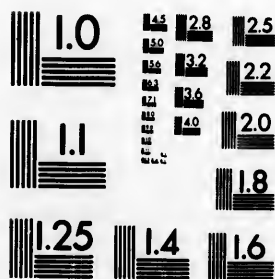


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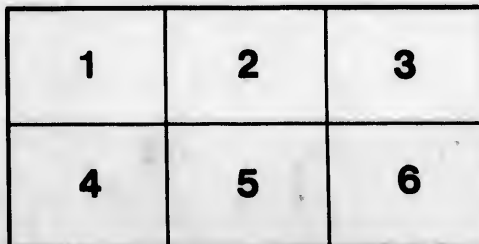
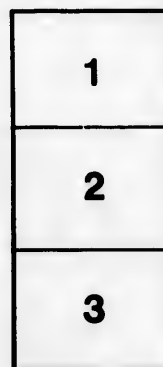
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THE
"TORPEDO,"

OR TEN MINUTES ON THE
NATIONAL CURRENCY QUESTION,
"BEAVERBACKS."



THE MONEY OF THE FUTURE A PURELY
GOVERNMENT ISSUE.

PRICE, 15 CENTS

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1885.

"THE TORPEDO,"

*A Work on the National Currency Question,
Exposing the False System of Banking,
as at present, and showing the Ad-
vantages to be Derived from
an Alteration.*

M. WRIGHT, AUTHOR AND COMPILER.

DEDICATED TO
CAPT. JOHN WYNNE,
President of the Currency League.

ST. CATHARINES:
E. J. LEAVENWORTH, BOOK AND JOB PRINTER.
1885.

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With Compliments
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Toronto

PREFACE.

This work is placed before the public to induce discussion on the subject of a national currency for the Dominion of Canada; as we want a much larger volume of legal tender currency to be altogether a domestic money of only government issue with a gold value, and, in every way, in lieu of the gold metal, and of course, irredeemable just as much as if it was the metal itself; and to be considered as valuable, having the Government fiat, making it of the same value of whatever denomination it is stamped for the face of the bill.

This work also is intended to show some of the benefits to be derived from a large issue of a domestic currency—of Government issue.

The compiler of this work does not claim any authorship, but only having time to spare to collect thoughts of others, as well as his own, in favor of a government issue; a national currency, and has been at some considerable time and trouble in collecting fragments, extracts from newspapers of the period, bearing and commenting on the currency question; also sayings of others in favor of it, and showing the fallacy of the present bank system; also the amount deposited in the Government Post Office Savings Bank, and other Government securities; also a scheme to

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construct a Grand National Bank of Issue and Deposit, thereby making a safe investment for those who have money left to them without business knowledge, and where it would be perfectly safe from land sharks, and where the executors of estates can invest legally without fear and trembling as to any losses accruing from failure.

M. WRIGHT.

St. Catharines, January, 1885.

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THE RAG BABY.

The ghost of the poor little rag baby—the child which the eminent financiers cruelly slaughtered some years ago—has been visiting the *Globe* office and frightening the editor almost out of his wits. In Monday's issue of the paper we find a fierce attack on the poor little bantling or waif. If the rag baby is dead, as the *Globe* has frequently assured us, it is ghoulish to disinter its bones, and vampirish to tear its flesh. But if not dead, but only moribund, it is cruel to apply the lash so fiercely to the friendless orphan. Seriously, however, the *Globe* knows that the rag baby is a growing child, and is daily captivating the hearts of the people. The *Globe* understands full well that through the false system of finance which prevails, this country has again been brought to the verge of a business crisis, and would now for political purposes seek to hide the real cause and fasten the blame on the national policy. "None are so blind as those who will not see." The people are rapidly learning the fact that the most of our financial disturbances have their origin in a false money system, and even the *Globe*, obtuse as it is in understanding public opinion, comprehends that the time is near at hand when the false must give way to the true. Our contemporary, instead of seeking to blinding the public, should strive to enlighten. We suggest that an article or two on the subject of "money" would be interesting to *Globe* readers. The learned editor should tell the country what he knows about the subject he assumes to write on. Abuse is neither

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instructive nor argumentative. Tell us plainly and concisely, what is money, how is it created, and what are its functions and powers?—*Journal*.

THE TORPEDO,

OR TEN MINUTES ON THE NATIONAL POLICY QUESTION.

Down with all private banks of issue, as none except government are safe, which alone ought to retain the right to issue bank bills, only allowing private banks to loan all kinds of money, viz: bills issued by the Government bank, all bills of foreign issue, bills of exchange, all coins of our own and foreign currency, and loan all kinds of money on notes, mortgages on all kinds of property, as at present, taking securities and receiving deposits from all persons having a confidence in them to sell, and to buy all stocks, and in every way to transact business, as at present, except the issue; and that would do away with loss to bill holders where the promise to pay occurs. All the aforesaid transactions can be conducted by the private banks as usual, but their charters must be altered. But give all a fair length of time to call in their issue, and that will try their footing, but stop the issue of the private banks after a certain date; before this date you will see what a large circulation will take place.

BANK CIRCULATION. (1881.)*(Kingston News.)*

Banks must have securities of some kind for their circulation, but not necessarily such assets as could be converted into gold at an hour's notice. A practical turn to this discussion might be given by starting the question—who should issue paper money? Should the banks have the profit of it or the government? These are old questions—questions with which the business men of the country are familiar—but there has never been a more favorable opportunity for discussing them.

NATIONAL CURRENCY NOTES.**THE CURRENCY BOOM. (1881.)**

The proposition of the Finance Minister in regard to a national currency is clearly defined in the resolutions introduced by him in the House on Monday last, and although it met with some members who are working in the interest of the banking institutions of the country, still it found many staunch advocates who will give the question their hearty support when a division of the House on the resolution is called for. That a national currency is what Canada needs there can be no question; but it is patent to all who have given the matter of finance their attention, that the line of policy drawn by Mr. Tilley is the true one.—*Arnprior Chronicle.*

The Toronto *News* pointedly and truthfully remarks that "the issue of the currency should be kept entirely distinct from the business of exchange and money lending. The circulating medium should not be liable to depreciate with the fluctuations of the stock market, or subject to suspicion in consequence of reports derogatory to the stability of a private trading corporation. The government should follow up the action they have already taken with regard to bills of smaller denominations by giving the Dominion a national currency, guaranteed by the government, and not dependent upon the prosperity of the money lending business, or liable to be discredited by the machinations of stock-holders."

REASON TO FEEL PROUD. (1881.)

The currency reform movement is not dead, but on the contrary it is steadily gaining ground. This is a matter of which its advocates have just reason to feel proud. Their ideas have been attacked by the *Globe* both editorially and by correspondence, and when it found that its arguments were being badly used by its opponents, it then raised a cry for help from the upholders of the gold basis humbug. Several other papers supporting the old banking policy of the past took up the cudgels, but they have not made out any better case in support of their theory than their great confrere. We are pleased to see the Finance Minister increasing the Dominion note issue, but we are not satisfied with this measure further

than it shows that our rulers are beginning to awaken to the fact that a new departure is necessary with regard to the currency. We want, and the people want a currency that is not based on gold, a currency that will be accepted for all debts contracted within this Dominion, and that shall be based upon the resources of the people, a purely national currency.—*Orangeville Gazette.*

The next thing to be done is to extend the amount to be placed to the credit of all persons who may wish to place monies in the Post Office Savings Bank, as there appears to be great confidence in all Government securities, but not to be compelled to place it there, but to leave it optional with every person to act as they like as to where they may wish to place their money. They will soon find out the safest place and place it there. And if possible to absorb all monies and stocks from private banks into government stocks, and give as much interest as possible from time to time, as at present, and also to issue a scrip denomination of twenty-five and fifty cents, as was issued some years ago by the government, as merchants and others found it very convenient to transmit by mail fractional currency, irredeemable the same as the other bills issued, but to be treated as issued, counted, passed, and to be taken as gold, and as of gold value. The Government fiat does that, for it is the wish of the currency league that all denominations of bills issued by the government should have the gold value.
—*Torpedo.*

JUST SO.

The Hamilton *Spectator* claims that "all transactions would be conducted for cash only if fiat money were made legal tender." Just so. That would be the greatest benefit ever bestowed upon the people. There can be no doubt that it would in all respects be better for as individuals and as a nation to bring business down to a cash basis. A more powerful argument in favor of a national currency could not be used than that advanced by our contemporary.—*Journal.*

THE DIFFERENCE.

The St. Catharines *Journal* tells us that "the only power in Canada to make money is the government." We beg pardon. We have in our possession a five dollar bill issued by the Bank of Hamilton, and it is money. It is money because it promises to pay five dollars to the bearer, and because the people believe the bank is both able and willing to make the promise good. If we so desire we can go to the bank to-day, and get five dollars in gold for the piece of paper.—*Spectator.*

We are certainly surprised that so well informed a journal as the Hamilton *Spectator* should utter such arrant nonsense. The note of the Bank of Hamilton, or any other bank, is no more money than a note issued by the *Spectator* Printing Company. A note is a promise to pay money.

It is entirely credit, and the value of the instrument is simply measured by public confidence.
—*Journal*.

WHAT IS MONEY?

The *Hamilton Spectator* again takes up the subject, "What is money?" and endeavors to reassure itself that money is gold and silver and not, as the *Journal* contends, a creation of the law. — On this point our contemporary says:

"Money is not the creation of the law. The law regulates the issue of money. It does not create the value of money. Labor creates the value. There is no exchangeable value in the wide world which has not been created by labor.

Logically following up the reasoning of our friend, the conclusion must be reached that labor is the true basis of money. This is in accord with our ideas. The money for Canada should be based on the wealth created by the labor of the Canadian people. As to the contention, however, that the Government fiat has nothing to do in establishing the debt cancelling power of money — the only power with which money is imbued — we call the *Spectator's* attention to the trade dollar of the United States. This dollar has the Government guarantee that it contains 420 grains of silver, which is $7\frac{1}{2}$ grains more than the treasury or standard dollar, which contains only $412\frac{1}{2}$ grains. The intrinsic value of the trade dollar,

however, goes for naught, as that coin not being a legal tender, is at a discount of 15 to 20 per cent. The treasury dollar, being legal tender to a certain amount, passes at par not only in the United States, but in many portions of Canada. This would not be the case were it not simply and solely a creation of the law. "Money is a value created by law," says Mr. Henri Cernuschi, an eminent French writer on finance, and author of "Bi-Metallic Money," etc. "Its basis is legal and not material. It is, perhaps, not easy to convince one that the value of metallic money is created by law. It is, however, the fact. If you suppose that gold and silver are not money—are not legal tender—their value is lost." That is, if you supposed you were passing them as gold and silver, and not as legal tender, you would find yourself mistaken, as no one would take them. It is the stamp, and the law which is known to be behind the metal or stamp, which causes it to pass current with the merchant. The only power in Canada to make money is the government, and it cannot be disputed that Dominion notes are as good for all purposes of trade as bank notes. All money is necessarily fiat money. It is as much a creation of law as a statute or judicial decree. To demonstrate this take a dollar in Canada silver (the only coinage we issue) which is money, full legal tender, with which any money obligation, either public or private, can be liquidated to the extent of 100 cents. Put it under a trip hammer, deface the stamp or fiat, and notwithstanding it has not lost a grain of its intrinsic value, it is worth

only 82 cents as a commodity and has no value at all as money. It has lost that which constituted it money. Legal tenders never can depreciate below their face value in relation to money of account, or for debt or tax paying purposes, but may depreciate below gold in the same ratio that values in this country a few years ago, under the stimulus of the National Policy, rose above the gold prices of some other countries. The first issue of greenbacks by the United States government on the breaking out of the war of secession, \$65,000,000, never depreciated, for the reason that the notes were a full legal tender, a perfect tax and debt paying money, finally commanding a slight premium over gold. The value and full employment of all forms of labor is the gauge of a nation's prosperity, and there cannot be full employment and industrial activity without an adequate supply of money. The money of the future will have but one value, money value, and the industry-disturbing system that gives both a legal value and an intrinsic value to a medium of exchange will be destroyed, and the people will wonder why they submitted so long to such an unjust, tyrannous system.

As it is the wish of the currency league that this movement to obtain and extend a larger issue be considered non-political; but the bank of issue and deposit combined is my own idea, as I consider all government securities preferable far beyond, and out of reach of any private institutions,

however well they may appear to be secured ; and, as I said before, as regards the movement being non-political, I would say, to my knowledge, we have all shades of politics in our ranks, all working for the national good ; Grits, Conservatives, Canada-first-men, all working harmoniously, as we all consider government issue the safest and best, and it is borne out by the following extract from the *Journal* :

THE CURRENCY QUESTION.

To the Editor of the Journal :

I see in the *Jouryal* of yesterday a letter signed "Safe Money," that you are made the advocate of paper money issued, but not redeemable by the government, as the best money for Canada. Will you allow me to say that I think the great trouble about this government, or any government, issuing paper not redeemable in gold—the recognized money of the world—is, that while it may circulate and answer the purpose at home, it will not settle foreign balances abroad, while money, "currency," issued by the government, redeemable at home, and perhaps the monied centre of the adjoining country, will always be good and circulate everywhere at par. This is the description of currency that is best liked by the people and most needed for commercial and trade purposes. It is even preferable to gold or chartered bank notes, which are not by any means always found secure. These facts are proved by the very small amount of gold held by the banks or in

circulation required by the business of the country, and the frequent losses of the holders of bank notes that have suspended or failed, but which never occurs in the government issues.

The experience of the United States in their monied circulation since the late war has clearly proved that the greenback issued by the government has a great preference over the chartered bank notes, even though the latter are perfectly secured by the deposit of government bonds for ninety cents on the dollar (and the same bonds are considerably above par), while gold, except for shipment, or to settle the difference or balance in trade, is seldom, if ever, required for monied purposes. Another thing, the greenback is always at par from the Atlantic to the Pacific, and from Maine to Texas, as well as in Canada and other countries, even all through Europe, while the notes issued by the banks of some of the provinces of the Dominion are at a considerable discount in the other provinces, and will not answer at all abroad, always being below par.

Yours truly,

P.

St. Catharines, July 18, 1884.

CANADIAN BANK NOTES.

The *Globe* announces that an organized movement is on foot to drive Canadian bank bills out of circulation in New York State. Some of the papers commend the movement, and think it ad-

izable to keep all Canadian bills out of the state "until the Canadian banks are organized on a basis which will render their circulation secure." There is no denying the fact that our currency is altogether too much mixed. What is current, for instance, in Nova Scotia is at a discount of 5 per cent. here, and *vice versa*. Bank bills issued in British Columbia are discounted 10 per cent. when Ontario is reached. A national currency would remedy the evil complained of. "It is a fact," says the *Toronto World*, "but not at all pleasant to our national vanity that American greenbacks are better money to travel in Canada with than our own bank notes." This is likely to be the case until the bank circulation is replaced by Dominion notes of all denominations. We should at least have a sufficient volume of currency, current at par in all parts of the Dominion, to meet the requirements of trade.

THE COMING ISSUE. (1881.)

The issue of irredeemable paper currency by the government is, to any rational being, far more preferable security than can be reasonably expected from a joint stock corporation, judging from the interest which is manifested in favor of the movement. We trust the time has come when the government will respond favorably to a matter of so great importance to the country, and insist that all currency after a reasonable lapse of time must be a national issue.—*Peterboro Times*.

And to obtain what gold we, and the government require, we could get by the surplus of our exports and duties on the imports of foreign trade which will be enlarged every year, and if our commercial relations increase with foreign countries.

As our internal affairs are in a healthy state; as we have good crops, we are getting self-sustaining to a great extent, excepting spices, teas, coffees, and fruits of tropical climates; and if a trade treaty with Spain and her colonies could be effected that would be another outlet for goods manufactured in the Dominion, and we could arrange that our bills pass at par value; that is the country where the gold comes from, and perhaps the silver may come with it, in coin, bars, or ingots, which we can then coin with by our own government.

At a meeting of the St. John, N. B., Board of Trade the proposed Spanish-American treaty and its apprehended effect on the trade of the Maritime Provinces was discussed. A resolution was adopted to secure the co-operation of other representative trade bodies in petitioning the Dominion Government to take steps to obtain a reciprocity treaty with the British and Spanish West Indies and to open the question of reciprocity with the United States.—*Evening Mail*.

Nov. 25, 1884.

Sir R. D. B. Morier, the English Minister at Madrid, advises the British Foreign Officer that negotiations have been resumed for a commercial treaty with England, and states that Spain offers the "most favoured nation" treatment for an exchange or extension for the alcoholic scale of wines. An agreement between the two countries is considered probable.

The London correspondent of the *Mail* says negotiations have been resumed between the British and Spanish Foreign Offices for the establishment of a Government treaty similar to the one recently arranged between Spain and the United States.

I have no doubt that these extracts will bring out some good and solid remarks of some men of thinking minds, for the question is well worthy of great thought, and will not be time thrown away, for there is plenty of scope for solid remarks of men who have more influence in the country than I have; but there are others before me who first brought it to notice before the public; that was the late Hon. Isaac Buchanan, M. D. P., of Hamilton, and Capt. John Wynn, of St. Catharines. Capt. Wynn still is a constant worker in favor of a national currency of government issue, an irredeemable currency that the bills of all denominations are to be considered as gold, and I and others are convinced that until we get that we shall have a periodical financial crisis; in fact it has become chronic, and, like a bad case of

surgery, it requires a good cut with the knife of the government to take away all bad parts of the present banking system. The first fatal stroke our banking system received was the failure of the old bank of Upper Canada. That opened the ball; that was the commencement of the cancer that did, and is still eating into our present system and never can be eradicated but by the government taking the issue into its hands and control; then we shall commence to have a healthy system throughout the Dominion; we will not retrograde as we do now. Every time a bank suspends payment it impairs our credit to a certain extent, and that is more than some people think, and others are willing to admit. We are getting as bad as the banking system of the States twenty-five or forty years ago, when you never were sure when a bank was good. There was a monthly bank note detector issued in the wild-cat and dead-dog days, and until the government of the United States came forward and put a stop to this reck-way of doing business. The country was on the verge of ruin, and now the only stable currency is the greenback; they are free from debt as a nation, and it is well known that our merchants only just look at an American bill, if a greenback, to see that it is not a counterfeit bill, and if not, accept it without any hesitation, because it is the government issue. That and the stamps got the nation out of debt after the war between the north and south. Now, I want all my readers to think why should not our government do the same; we are at war with hard times and a bad bank system.

A first dividend of twelve and a half per cent. was declared on Saturday by the liquidators of the ill-fated Exchange Bank.—*Mail.*

Dec. 15, 1884.

Suits for an amount exceeding one hundred thousand dollars have been commenced by the Exchange Bank liquidators against the directors of the defunct bank, on the ground that by their neglect of their duties they are personally responsible to that extent for the heavy losses incurred. Mr. M. H. Gault, the first president of the bank, is also being proceeded against for the recovery of one hundred and thirty thousand dollars.—*Mail.*

Dec. 15, 1884.

THE NEW YORK FOREIGN CAPITAL BILL.

Albany, N. Y., May 3, 1881.

The Governor this afternoon gave a hearing in opposition to the bill taxing foreign capital. The Merchant's Bank of Canada, Canadian Bank of Commerce, Bank of Montreal and the Bank of British North America were represented. Amendments suggested which would be satisfactory. The bill, which has passed both Houses, will be called back from the Governor and amendments suggested. The offered amendments are that the tax be no more than the ordinary one on personal property, and be made a State instead of local tax.

A SOUND CONCLUSION.

(*Toronto News.*)

A despatch from Buffalo says Canadian currency is being rejected there. If it means Canadian bank bills, there is no great reason for wonder, as there are so many different banks that it is hard for strangers to keep track of them; but if it means Dominion government notes, it is rather funny. Anyhow, we need all the currency we can get in this country, and it will not hurt us very much if the bills come back to Canada. In proportion to population and area, both of which should be taken into consideration, Canada has very little currency in circulation.

COMING TO IT.

When, some four years ago, a few intelligent men in this city, assisted by Mr. Griffin and the late Hon. Isaac Buchanan, of Hamilton, launched forth their views affirming that Canada should have a national currency, a legal tender, or beaver-back issue of Dominion notes, secured by the wealth of the nation, there were not a few of the the wise ones among the press and people who sarcastically smiled at the theories advanced, and mildly dubbed the movement a "financial craze." This paper after mature deliberation viewed it in a different light, nor has it from the outset learned of any cause sufficient to bring about a change in its opinion that the theory is correct, and if adopted by the country would give absolute se-

curity and save the people from a vast outlay in interest and expenses as well as unnecessary trouble and anxiety. To-day we have the satisfaction of knowing that a number of our most intelligently conducted papers have endorsed our views, and although not at present in their fullest sense, we are now glad to welcome the *Hamilton Spectator* into the ranks of the currency reformers. Accepting many of our ideas regarding the right of issue, our contemporary, like others, cannot get over the fiction of a gold basis. It "has no confidence in paper dollar unless assured it could get a gold dollar for it, etc." The objection certainly is a pertinent one, and should be squarely met; but, at the outset, our contemporary will, like others, find that on this question there is, in learning, much to unlearn. Predjudices and ideas that have almost become a part of our faith must be calmly laid aside and only the truth kept. Admitting the right and power of the government to issue money, it naturally follows that such money is fiat, otherwise it is not money, for the reason that it is the fiat of the government that makes it a legal tender. Our Dominion notes are fiat money, but we have yet to find where the holder of a one dollar note can get his one dollar in Dominion gold in exchange. The note as it is is a debt paying instrument to its face value. It accomplishes all that is required of it. Gold can do no more. The evil of the gold basis system was manifest of late when banks for speculative purposes presented notes for redemption and sent the gold to New York and other places, compell-

ing the government to keep up an unnecessary and fictitious supply of no use to the people.

Regarding elastic money being governed by a 365 bond, money reformers must pause and ask if money is the creation of the law, and the law the creation of the people, why burden the creators with interest? The fact is evident that we have too many bonds now to pay, and what is needed is the payment of them by the produce of the country. There is no difference between home and foreign bondage. A business money not an interest money is what we want. When the *Spectator* makes a study of what money really is, it will comprehend that the wealth of the nation is the only basis required, and that prosperity will go hand in hand with a currency that as to its volume constantly bears a just relation to the population and business of the country. We would remind our friend that there is a difference between the Canadian beaverbacker and the United States greenbacker. The greenback was issued truly for the preservation of the nation in a war which destroyed much property, while the beaverback would be issued to assist in developing the wealth and resources of Canada. All legal money, since the days of Adam, until now, has been fiat money. Many attempts have been and are constantly being made, to issue some other kind, but the government steps right in and arrests the parties for counterfeiting. There are but two kinds of money—fiat money and counterfeit, or illegal money. This makes the lunacy of denouncing fiat money, apparent.—*Journal*.

July 7, 1884.

THE DEFENCE OF KHARTOUM.

Gen. Gordon's gallant defence of Khartoum will live long in history as a brilliant achievement. Certainly a more admirable display of dogged pluck and good generalship is not on record. For nearly one hundred and sixty days a small garrison of timid Egyptians, led by three Englishmen, maintained the safety of a large and populous city, which was surrounded by thousands of the desperate and infatuated Arabs under the banner of El Madhi. Not only had Gordon to maintain a desperate defence against an unceasing hail of bullets, but in the nobleness of his charitable heart he was required to look to the wants of poor women and children in the city. Khartoum has a population of about 80,000, and during the long siege but 700 lives were lost. When his gold and silver was spent in purchasing food for the poor, Gordon issued fiat money, which was received by the merchants, and by its aid at length caused the Arabs to raise the siege and fly before the destructive fire of the breech-loaders. As a matter of history, the siege of Khartoum will live for centuries, and in its financial aspect show the world that the oft repeated statements of the advocates of a paper currency are correct, as in this case it is plainly proved that the fiat of the general did all for his cause that gold or silver could.

WHAT FIAT MONEY HAS DONE.

The *Monetary Times*, it appears, has no faith

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in paper money, and stoutly opposes the adoption of a national currency for Canada. Our contemporary thinks the fiat money idea a delusion so gross that only the wilfully ignorant can become its victim. If fiat money was good enough to sustain the United States government through one of the most terrific struggles recorded in the world's annals, can there be any sane reason why just that kind of money would not develop our national resources? There was no gold basis for United States money when the war was raging, while at the same time, notwithstanding the great loss of blood and treasure, that country was growing richer day by day—covering the continent with railways, establishing manufacturing industries north, south, east and west, building up cities, towns and villages, and covering the land with prosperity. If fiat money could do this for our neighbors, it is unreasonable to suppose that such money would be inadequate to level forests and develop mines in Canada? Paper money has done wonders in the last two centuries, fighting all the great battles, and during the conflicts moving and carrying on the commerce and trade; and yet we are told that it is a delusion to ask that paper money be given.

Until our banks began to fail it was never questioned but that our private banking system was considered good; but when a crisis came in our banking system, when the old bank of Upper Canada failed, an institution that was supposed to

be stable and perfectly secure, and so it was, as long as it was managed right, on good banking principles; but Mr. Ridout, who was president, and managed the affairs of that bank, was advanced in years; too old to manage its affairs, but still honorable; and with an idea of extending the capital of the bank, and raising the value of the stocks and credit of the bank, at the time the quarterly dividend was declared, gave a bonus out of the reserved fund of the bank, which was more than enough to have redeemed the issue the bank had out at that time, and in circulation. But a crisis in the affairs of the bank took place, and crippled by large loans on land, and notes and securities, but locked up in various intangible ways; and when a run on the bank took place, before that could be converted into cash, and not having sufficient in the reserve fund to meet the bills coming in at the run, which, if it had not been taken for the purpose of a bonus, to be divided amongst the shareholders or stockholders, would have redeemed the issue; but not so, and down went the oldest bank in Canada; and thus it gave our banking system a most severe shock; and from that time until the present it has been on the wane; and on account of so many of our private banks shaking to their foundations, taking the funds of widows and orphans and aged men with them, never to recover, but to starve; and our banking system as it is at present is not a safe investment. The only safe place to deposit and invest is the Post-Office Savings Bank and any other Government securities, and, until a regular

Government bank of issue and deposit is formed, and is an accomplished fact, there is no other safe place.—*Torpedo.*

SOMETHING ABOUT MONEY.

The object of money is to make the means of exchange more convenient, the money simply and only representing value for one side of the trade, and doing away with barter altogether. Barter is barbarism—money represents civilization. Money is not a product of nature—nature produces only products. The fiat of government only creates money. That which constitutes the money is not the substance. The law employs a substance through which to express itself. The law can put money either into gold or silver, or take it away at pleasure. In the same way the money power can be vested in paper. Law written on tablets of gold or silver would be no more valuable than if written on paper. Money expressed on paper is equally valuable with money expressed on gold. Gold is not money. Money is simply a creation of the law. "The book," says Porter, "is not the law—the law is the ideas expressed in the book. Coin is not money. The idea of money is expressed in the coin. It is the fiat of the law." But, as argues our friend of the *Spectator*, the government cannot create value. Well, as a matter of fact, there is only a difference in degree between the fiat of governments over the value of paper money and the same power over silver and gold. It is true that when mints are open to

everybody, the value of gold and silver coins is the same as that of the bullion contained therein. So that a first impression would be that governments in no way effect that value. "Nevertheless," says the *Bankers' Magazine*, "governments do effect the value of the bullion by decreeing that it shall be the material for coin. Gold and silver coins are thus indebted to the fiat of governments for an unknown but large part of their value, although not for the whole of it, as government paper may be." The money value, however, either of gold, silver or paper is equal. Money, well distributed, stimulates all productions and brings individual happiness, but if withdrawn or concentrated into a few hands, activity ceases, and individual and general oppression and distress ensues.—*Journal*.

Tuesday, September, 30, 1884.

SPEED THE DAY.

The recent attempt of the banks to squeeze the Dominion Finance Minister, by demanding specie for Dominion notes, in order to speculate on the New York stock market, will probably hasten the event of the inevitable day when ALL the paper money required for domestic needs will be issued by the Government, thus removing from bank managers the dangerous temptation to "speculate" with the gold obtained for their own "promises to pay." It is peculiarly significant that the sudden demand for gold did not come from the people, nor for the purpose of carrying on legiti-

mate trade in this country, but solely to gratify the mania for speculation in the great gambling centre of the neighboring Republic. It is the old story over again. Financial derangement and difficulty begins—not with the people, but as a natural consequence of a defective monetary system, which gives banks and speculators the power to work mischief whenever they please. Do away with bank notes, and it will then be no longer necessary for the banks to hold so many millions of Dominion bills as security for their circulation. In this way the Dominion treasury would then be relieved from the danger of a sudden, concentrated demand for gold, like that recently and most unwisely made by the banks.—*The Visitor*.

St. Catharines, June 2, 1884.

CORRECT AND INCORRECT.

The ordinary greenbacks were made legal tender except for custom duties. They depreciated and appreciated in value just in proportion as the prospects for their redemption seemed good or bad, and at one time were worth less than 40 cents in gold. They were fiat dollars; they would pay all private debts, but they lost value just as the people lost faith in them as the representatives of gold.—*Spectator*.

Our contemporary is quite correct in his statement of facts, but not in his conclusions. No redeemable money ever stood at par for any considerable length of time; because it becomes a promissory note, and its payment depends upon

the ability to pay. Plenty of so-called Canadian money went below par for the same reasons. The greenbacks were redeemable in gold and they fell below par; but the moment the Government issued the fiat that greenbacks were legal tender in payment of all debts—lawful money of the United States—they at once rose to par. Money is par, and cannot go below itself. Money is the measure of values as a yard stick is that of cloth. Why not demand a redeemable yard-stick? The people want a legal tender that will pay all debts and taxes. That alone is money. The world doesn't do its business in money any more than it does in leather. It is simply an exchange of commodities, the money of each country being the measure of value.—*Journal*.

I recollect the time when greenbacks went down to twenty-five cents, a friend of mine received \$400 for a \$100 check.

The director of the United States mint has prepared from extracts of the reports of the money in circulation in 30 principal countries, a statement showing that the gold coin circulation of the world has decreased during the year \$52,000,000, silver circulation increased \$42,000,000, paper money increased \$112,000,000. The decrease in the circulation of gold is accounted for by a diminished production and increased demand for that metal in the arts and for ornamentation.

CURRENCY - NOT MONEY.

The *Spectator* obdurately holds to the opinion

that a bank note is money. Our friend might as well call a shadow the substance. A bank bill is simply a promissory note. Says our contemporary :

By what mental process the *Journal* gathers that "there is no other power than the government to create money" it is hard to determine. Does it mean that because the government has the exclusive legislative authority over the issue of paper money, therefore only the government can issue paper money? If that is the *Journal's* meaning it will soon find itself in a box.

That is just what we mean. A bank charter is the creation of parliament. The government is the source of power, not only in all matters pertaining to the issue of paper money, but also in authorizing banks to issue substitutes for money. When the government proclaim bank notes to be a legal tender bank notes will then be money, but not before. It is true that bank notes, in the absence of government notes, answer for currency, What a protest would go up from the people should a private corporation be granted the privilege of managing the post-office and issuing postage stamps; but such a privilege would be of minor importance compared with the issuing of the currency of our country, yet this important function is largely controlled by bank corporations. The sovereignty of people over money lies in the act of confederation, and the people should command their representatives to exercise these sovereign powers, and not to delegate them in the

issue and control of currency. — Our medium of exchange should be all money, and substitutes therefor banished.—*Journal*.

St. Catharines, July 16, 1884.

Our banks hold all dominion notes as gold in their vaults, as it is recognized by the government as gold. There is the point of the wedge entered for the government—the help to the “beaverbacks”; now, all we want is the people to take the maul and drive the wedge home; now it hinges on this, why not issue a much larger volume of domestic money than what has been issued; it would be gladly accepted by all. Now, if we have been accepting in the past all kinds of bank bills, which we have been supposing to be good, and expecting to be good for the gold, but which has turned out to be good-for-nothing when presented at a bank at the end of a run that has taken place, and gold has run out of the vaults of the bank where the run has taken place, and thousands of promises to pay out did not, because they could not; they never had enough to pay, on demand, the whole of the issue, and not even enough to redeem two-thirds of their issue.—*Torpedo*.

THREE TO ONE.

The *Globe*, as we anticipated, fiercely attacks Sir Leonard Tilley for his statement respecting the banks, viz., that two-thirds of these institutions would find it difficult if suddenly called on

to redeem their notes. For this plain statement of a truth which is known to all who have the least knowledge of financial affairs, the finance minister is assailed and stigmatized as an ignoramus. In its attack the *Globe* is supported by Mr. Maclaren, president of the Bank of Ottawa, who says that he "knows of no bank in Canada that is not able to meet not only its circulation, but all its liabilities." If Mr. Maclaren made this statement he exhibited an amount of ignorance deplorable in one holding the responsible position of a bank president. The total liabilities of the banks is over \$145,000,000. The available money for payment of this sum is under \$20,000,000. Of course the total assets of the banks amount to over \$225,000,000; but in case of a sudden demand it would be found that assets are not money. The bank notes in circulation amount to over \$33,000,000, while they hold in specie \$7,000,000, and \$11,000,000 in Dominion notes. While nominally this specie is "held by the banks" it practically belongs to the Dominion government, and is the basis of the Dominion note issue, and could not be withdrawn from the banks unless the government suspended specie payment and made the Dominion note an absolute money. This leaves the banks \$11,000,000 of Dominion notes with which to redeem \$33,000,000 worth of circulation. The secret of making one dollar stand for three is not understood by the public, who agree with Sir Leonard Tilley the banks would find it difficult to redeem their pledges if suddenly called on to do so. In-

deed, the *Globe* gives the whole case away when it quotes Mr. Smithers, of the Bank of Montreal, as saying, "that there could be no money made out of a circulation for which there was a dollar for dollar reserve." Now we know banks do make money, and consequently cannot be in the position the *Globe* claims, so far as their circulation is concerned.—*Journal*.

St. Catharines, February, 16, 1884.

The exports from the Dominion for September reached a total of \$8,837,373. The imports for the same month were \$9,980,131.—*Mail*.

October 15, 1884.

A SIGN OF PROSPERITY.

A few days ago the annual general meeting of the shareholders of Molson's Bank was held. The president, in addressing the meeting, said, amongst other things: "Our circulation has lately gone up rapidly, a *certain proof of increasing prosperity, and greater activity in business.*" That is in accord with the contentions of the advocates of currency reform in Canada, and it is pleasing for us to hear bankers express their endorsement. At the same time we take the liberty of asking—if the doctrine of the bankers is true that only gold and silver are real money—how is it that the bank in question, while only possessing \$307,193 in specie has a circulation of \$1,812,461? It is true that it holds \$644,713 of

Dominion notes, but even then it is circulating its promises to double the amount of the pay in sight. The vast business of this country requires a large amount of currency, and when the volume of money is insufficient to meet the demands of business, the people substitute their individual notes or those of corporations. This is the worst form of currency, for it only builds and fills a powder magazine beneath our business enterprises, to which the money power applies a fuse, when the debt obligations which it holds are called in for payment in lawful money, money that everybody wants, but which only a few can obtain—because there is not enough to go around. It being true that even an increase of bank note circulation is a sign of prosperity, would not greater prosperity attend the issuance by the government of a sufficient volume of legal tender currency to meet the business requirements of the country? Currency may properly be defined as a medium for the exchange of products and services—an instrument of convenience. Then as business increases we want more conveniences, and no power should withhold them. The profit of circulation should go to the people, and not as at present mainly to the banks.

The sign of prosperity spoken of by the president of Molson's Bank mentioned in the above extract is no doubt true enough in the light; he as president, and a banker looks at it that they had issued a very large amount of paper money,

and had not yet been called upon to redeem with gold, and it remains to be seen which way the cat is going to jump, high or low, and it hinges on this whether the bank stands or falls, when this is the question. If they have to redeem all their issue, they, as bankers, have not made as much clear cash out of their paper bills issued as they would have done if only one or even two-thirds had been presented for redemption. The banks on the other side were failing every day, and under our free banking act banks sprung up like mushrooms, and they were about as solid in substance, like children of the mist of shadowy form, only they could not stand in tangible form the business they took in hand when real hard times came, but vanished, leaving an aching void, and starved families. And then bad bills flew about the country, and were so much valueless waste paper, and used as such for all sorts of purposes. It was a convenient size to carry in the pocket, for unmentionable purposes, and that was the use the Zimmerman bank bills were put to, and that is the use all other bank bills will be put to when they promise to pay and are not redeemed.—*Torpedo.*

INTRINSIC VALUE OF MONEY.

The theory that money, to have worth, should be possessed of intrinsic value, though still clung to tenaciously by some people, is gradually being eliminated from economic theories. In England to-day the proposition is under discussion to reduce the amount of gold in the half-sovereign.

Suppose the coin was entirely eliminated and paper substituted, would not the latter command as much value in Canada? The money value would be just the same in England, inasmuch as it would, by its legal tender quality, pay a debt in that country, and coin has no further power. The bullion or commodity value does not regulate the legal tender or money value. It is true that old school theorists may yet claim that a \$10 gold piece, by reason of its being gold, is both money and wealth, but a slight analysis of the matter will show that the money function of the coin is derived wholly from its legal tender property conferred alone by the law or fiat of the nation issuing it. It is only a year or two ago since the Canadian government made the English sovereign uniform in value by imparting fiat or legal tender to it in British Columbia. What gives the power to our copper cents, 100 of which do not contain 40 cents of exchangeable value created by labor, or what gives a \$1 Dominion note value in exchange to 100 cents, when there is for every dollar issued only 15 cents worth of labor created in the shape of gold or silver wherewith to back it, or in other words 85 cents of fiat and 15 cents of labor creation? Our friend of the *Spectator* says that although the law regulates the issue of money it does not create its value, and that the value is in the coin. We are inclined to think that nature and man's efforts in discovering and extracting these metals from the earth has something to do with the issue. Our contemporary will not assert that governments have not the

right to demonetize or remonetize gold or silver. We have seen them do so in the United States, and there are few governments in Europe but at one time have done so. In 1847 Austria and some other European countries demonetized gold and the value of that metal fell enormously in that country. In Canada under our present system the banks have full swing in regulating the amount of currency or so-called money. Now, what becomes of "inflation" so much spoken of in the past should the government issue paper money? Surely if the law regulates the issue, as the *Spectator* contends, it must have something to do with the value, for if, as hard money men hold, that inflation of paper money depreciates its value, contraction must appreciate or increase it. The currency advocates have not held that law should create a value in money, but merely that law creates money, and that money should represent wealth, but not be wealth, merely a commodity serving as a medium of exchange, a tool of trade with the power alone of paying debt, and at all times in sufficient volume to be the servant, not the master of commerce.—*Journal*.

Wednesday, July, 23, 1884.

Now, if the government will control the issue of bills the private banks can do the sharing and loaning; the non-responsible work, in fact, the dirty work of the banking business, and let all banks have the power to issue gold, silver and copper, as well as the government, but only

through the government mint, and paying a small fee, for the privilege and coining of all metal in gold to the government. This will give the government another source of revenue to get gold to meet any gold demands of foreign call, which ought not to be much, as we will then have a very large domestic currency in circulation, advancing our internal affairs, and will help us to increase our exports by producing more than our own market requires. Our customs always bring in gold from other countries, except when actually imported by our own countrymen; then it need not be paid in gold or other coin, but in the government issue, viz., government bank bills, which will then be the gold of the Dominion, the domestic money of all our provinces, and I suppose with all outside countries with which we have a commercial treaty.

POSTAL SAVINGS BANK DEPOSITS.

The deposits in the postal savings banks during the month of August amounted to \$539,969, and the withdrawals to \$386,851. As compared with last year the deposits last month were \$40,500 more and the withdrawals \$23,500 more. There has, therefore, been a large proportionate increase in the deposits in the postal savings banks. The Grits rail against the policy of the government and declare it has done the country harm, but still the deposits of the people go on increasing, just as if the country had been

benefitted by the policy of the government.—
Mail.

Now the safest place to invest all monies is in government securities, viz., bonds, post-office savings bank, although it only pays four per cent.; but it is perfectly safe; government does not do any mean action, cheat, misuse, defraud, or run off with monies entrusted to it, but accounts for every cent placed in its charge. To show the confidence that is now placed in the government savings bank, the returns of a recent quarter just ended shows (the *Mail* says) the magnificent sum of thirty million dollars (\$30,000,000.)

Deposits in the postal and government savings bank have now reached the highest sum ever known in the Dominion, aggregating the magnificent total of thirty million dollars. — *Mail.*

Oct. 25, 1884.

Whatever the sum may be, it is nevertheless a good round sum, which speaks well for the confidence the people have in the government securities as a safe investment. Now, show me any bank of a private nature, that ever had on deposit as much.

ABOUT BANK DEPOSITS.

In a paper read before the science congress in Montreal, the other day, Mr. Hague, of the Merchant's Bank, gave an interesting summary of the

banking system of Canada. Touching on the subject of bank deposits, Mr. Hague said: "In 1858 all the moneys deposited in banks amounted to about \$9,000,000, of which the bank of Upper Canada held \$3,100,000, as compared with \$95,000,000 in June, 1884." Mr. Hague is wrong in his conclusions. Counting even the entire bank note circulation as money, and also every other kind of money, real and alleged, no such sum could be had on deposit. How can you pick up that which has never been put down? It is not possible for the people to "deposit" more money than there is in the country. Mr. Hague should not confound "credit" with money. Posing as the champion of the Canadian banks, it would be quite proper for him to give us definite information on the point raised, and briefly tell the public what constitutes "deposits" held by the banks. How is the sum total made up? What is the true inwardness of the process? To us it seems about the same thing as if you called a five hundred feet shadow sound timber because it has a hundred foot tree behind it.

—*Journal*. September 5, 1884.

THE BUSINESS OF BANKING.

In discussing questions of financial reforms it is just as well for people to keep in mind the fact that the omission of notes is not a necessary function of banking. Bank notes, which pass current as money, must in time disappear in all enlightened countries. Banks, however,

are necessary for public convenience as meat stores or baker shops. The business of banking is that of receiving and lending money. Bankers deal in money for a profit, just as other people deal in commodities. Numbers in every commercial community have money which they temporarily do not need, and numbers would like to borrow that same money if they knew where to look for it. Both lender and borrower are served, and the banker gets paid by serving both. "If," says the *New York Sun* in a financial article, "the regular business of receiving deposits and discounting notes does not in any particular case yield profit enough to make it worth while to do it, it had better not be done at all. At all events the public at large should not be taxed to render it worth doing. Whether the convenience of having a bank of deposit and discount is or is not great enough for any locality to pay for it, is a question for that locality to decide, precisely as it must decide whether it will have a hotel or a grocery." Our contemporary covers the whole ground in its lucid statement of the case. The issue of circulating notes is not essential to banking, and the sooner the privilege which is now given the banks in this regard is annulled the better. The government should issue all the money necessary for the business requirements of the country. There is no dodging the issue that government paper money is to be the money of the future not only in this country, but elsewhere.—*Journal*.

December 29, 1884.

POST-OFFICE SAVINGS BANK.

The largest sum that can at present be placed to one person's credit is three hundred dollars (\$300) as an ordinary deposit. but quite recently a new arrangement has been made by which any parties applying to the Postmaster General through the postmasters who have the power; to do so they can place one thousand dollars on special deposit, at four per cent., and after having placed it in the hands of government, you must give three months' notice of withdrawal, so that would not do for speculators; but greater security is obtained than in any private bank, which is at present a myth, a phantasmagora, a delusion, a will-o'-the-wisp, that the least breath of commercial adversity will drive away in many cases into oblivion. Numbers of private banks which under the present system are rotten to the core, like rotten planks, well enough to look at, but will not carry any weights when trod upon. letting the unwary person down into human depths of misery, when they least expected, by loss of monies entrusted to it. Now, my advice to all persons investing is to have nothing whatever to do with institutions for investments of any kind whatever. If you can get Government securities take Government securities in preference to all others; never mind what fair offers of a big bonus, large interest and large dividends. Recollect sure bind, sure find and half a loaf every day is better than a large loaf every two days, then none at all for the Lord knows how long, perhaps never after, except promises; that will not fill a hungry

stomach. So four per cent is much better than two per cent. for ten years, if as long, for some of the private banks have not lasted for ten years, some under the Free Banking Act; but if you place it in the Government Security. P.O.Savings Bank, bonds, or any kind of Government securities, it will stand as long as the nation stands, and that will be as long as the earth stands, for I see no reason to doubt it in the least. Now, in that case, why hesitate to try in another way, by extending the amount to be placed on deposit in the Post Office Savings Bank, or any other Government securities, the same as it is in England. It is a source of great strength to the nation, that is, the people, for whatever is a source of wealth to the Government is a source of wealth to the nation at large, to the people. And a great many unthinking people say, ho! it's only the Government that is making it. Now, if the Government is making it and is deriving any benefit by saving it, who is benefitted beside? why the people profit by it—the nation at large, of course. The richer the treasury is the more money it has, the less inland revenue tax would be required until it can be taken off altogether; for I for one do not believe in Inland Revenue tax, if it can be done away with; it looks like a tax on native industry; but a sum must be made in some way out of the resources of the nation, that is the reason, and if the Government has to meet any extraordinary expenses it is driven to the extraordinary means to meet it, and thus the inland tax; and it has to come from the people, because we cannot get it

out of other nations, in customs, etc. Now, if by internal industries we produced more than we want of food, manufactures, etc., and if any other nation required it we could sell it to them for some of their products; then when their products came into our country the duty would be paid us in gold by other nations, and a surplus over our products we would thus have in gold; then our Inland Revenue tax would be lessened, or taken off altogether when sufficient funds are received from other resources by Government; then a great burden will be taken off the shoulders of the nation. Now, when any needed improvements take place who pays for it? out of whom does the money come? You say, oh! the Government pays for it. But I know the money comes out of the people; some would say, oh! no, the Government borrows the money from England. True, but if the Government does borrow, who pays the interest, and in twenty or thirty years who pays the principal? Why, the people, all by taxation. Now, if you only compel the Government by petition, through your members of Parliament, as they are very loath to do so without your consent, to bring up before the Houses of Parliament a bill of such vital importance to the country as the Currency Bill; it will not injure the private banks, for the nation has lost confidence in them, and only await an opportunity to invest in Government securities on a large scale, that is, in a Government bank, for it easily seen that the confidence in the private bank system is gone forever, by the very large sum placed in the Post Office

Savings Bank, at a much less interest than private banks offer, and are paying for a time, but for how long; echo answers how long; for the people know well enough that the Government is strong, and, of course, stronger than all the private banks put together. Now, the time has arrived that the Government should be compelled by all legal means to step in and save the national credit from ruin. I, and others, know that a hard battle is to be fought before we get it, with the bank influence; but we will conquer yet. If the present members will not press the matter this session we will send in our own beaverback men, who will act independent of them upon that point, and make that a strong plank in their platform at election time, and they must, and will continue to press the matter afterwards at every favorable opportunity.

Now, to keep up the blowing up character of this work, I will say, once for all, that you will see that after the structure of the banking system of this country, as it is at present, is well shaken to its foundation, and burned up, it will end in ashes and smoke, and, out of the chaos and ashes of the defunct bank system will rise triumphant the grand bank of issue and deposit, of the Dominion of Canada, controlled and managed by Government, and worked by Government officers; like the ancient Phoenix, rising, vigorous and asserting its right to control the currency, backed by the national credit; then you may invest any amount of money you may wish in safety, and when other countries see us rich in produce and

manufactures as we are in mines and minerals— which only want money to work them to be the means of making the nation, as well as individuals, rich beyond conception. As treasures lie buried beneath the ridges and hills along the route of the Canada Pacific Railway, which, as soon as it is once fully in operation for business, work no doubt will be commenced—for business men will not commence until they have the means of rapid transportation, to get a quick return for monies invested. Then the eyes of other nations will be turned to us, and we shall be looked forward to by them as a nation worth trading with; then we shall be in a position to dictate our own terms to a certain extent. That is only some of the benefits to be derived from a good stable currency, for the certainty of having good bank bills always in your hands is a great comfort, instead of being afraid of rising in the morning and going to business, to be told first thing on entering your office or shop that a bank, like the bank of Upper Canada, or some of those of recent date, as the Exchange or Federal banks, have burst, and you have just been paid in all that wild-cat and dead-dog money, and that is all the money you have in the world; so you are ruined, unless you or your fond wife has laid it out in provisions on Saturday night—before the failure got wind.

Mining speculators have purchased thirty thousand acres of Government lands on the north shore of Lake Superior during the past few months,

and are prosecuting a vigorous search for the precious metals.

A NARROW ESCAPE.

The financial flurry arising out of the shrinkage in the value of bank stocks and the run on the Federal has about subsided. At all events quiet has so far been restored that no danger of a general panic need now be felt. In finance nothing so often occurs as the unexpected ; but so far as the recent commotion is concerned, it was not altogether unexpected, and hence the public were in a calmer state of mind than would have been the case had one of our banks suddenly closed its doors without suspicion of its solvency having been entertained. Federal stock was notoriously speculative, and the management of the bank was not in accord with the ideas of common sense financiers. The whole concern was on the balloon principle, and a collapse was bound to come eventually. The escapade teaches a lesson, which bankers above all others should profit by, namely, that it is impossible to exaggerate the importance of enforcing commercial integrity. The recent management of the Federal probably now realize the mischief which so-called sharpness inflicts. It is a mistake to imagine that such speculation should be endured because rashness has sometimes succeeded in the race against cool and honorable prudence.

In commenting on the recent run on the Federal bank the London *Free Press* says: The public may see in what has taken place some new reasons why the circulation should be of a character guaranteed by the government of the country. Had the run on the Federal Bank been heavier than it was, had the strain been a little more prolonged, the holders of the money issued by the bank in question might have found themselves compelled to submit to a considerable discount, as they have done on former occasions when financial trouble has arisen. Fortunately, so much of the money that is in the hands of the people is in the nature of Dominion currency that but a partial loss can now at any time occur. At the same time another warning has been given that though private banks and corporations may be, and are, very effective as banking institutions, the currency of the country, that which people are obliged to have wherewith to carry on the ordinary business of the day—that, at least, should be without a shadow of suspicion as to its ultimate value.

The *Canadian Gazette* of Aug. 28th, 1884, contains the following note:—

“Are not our Canadian contemporaries under some misapprehension in regard to this loan? It seems to be assumed that the loan is placed, because Mr. Annand tendered for the whole (\$400,000) at 8 per cent. premium, and had it allotted

to him. If Mr. Annand has paid for the bonds, or is open to do so, then the loan is placed without doubt, but as we understand the case, Mr. Annand applied for the loan on the supposition that certain insurance offices here would take the bonds of him, and that they have not done so. The reasons against their taking them are well known, and will have to be settled with before Nova Scotia bonds can run current in this market. The fact is, that Messrs. Barings claim £52,000 of the Nova Scotian Government, and until the claim is shown to be groundless, or is met, nothing can be done here in regard to a loan."

THE EXCHANGE BANK PETITION.

Intervention on the Petition.

The question of the petition of the Exchange Bank depositors for reducing the number of liquidators from three to one came up to-day in the Practice Court. Mr. Edward Holton, M. P., appeared for the Crathern-Caverhill interest, representing \$95,000, and Mr. A. W. Atwater for the Philadelphia and Reading Coal Company, representing \$10,000, and together intervened in the case.

Mr. Holton stated that he opposed the proposed dismissal of the two liquidators, on the grounds that no sufficient reasons had been alleged, that his clients had the fullest confidence in the liquidators, and that before such change was made,

a meeting of the creditors, depositors and contributors of the bank ought to be summoned, to ascertain their feelings and opinions on the matter.

Mr. Atwater followed, and objected on the same grounds as his learned friend.

There is a song I have heard our street Arabs sing, "Mary had a Little Lamb," the air of which would suit the little song below :—

Willie had a little bank,
 It's walls were white as snow
 And every time the wind blows strong,
 What makes it wriggle so.

The wind alluded to in the song is the periodical wind—the *simoon of financial adversity; and the white walls enclose within them the dead bodies and whitened bones of a dozen defunct banks; but there will be a great shaking up of the dry bones, and the wind that will blow on them will not have the effect of putting life into them, but death and everlasting destruction, never to rise again, except in oxygen gases, affecting our olfactory nerves; they will even be swept away from the face of the earth by the tornado of government fiat, backed by the anger of popular opinion, caused by losses sustained by their friends. There is no doubt that in the bygone days, when the banks were managed right, and before failures took place, the banks helped the

*The Simoon is a foul wind which blows in India.

country, and they were a great benefit to it, from the accommodation they gave to the people when there were fewer banks, and they each did more business. Now, under the Free Banking Act they sprung up like mushrooms, and like them in durability and strength, they withered and wilted before the simoon of commercial adversity. The fewer the banks the more stable they will be; the head banks may have as many branches as they like, but one good bank of issue and deposit, controlled by Government, is worth all the other banks put together; but I suppose for the matter of loaning, the best three or four oldest banks could be granted new charters, but with less powers; not to issue paper money or bank bills of any description.

From our own Correspondent.

OTTAWA, Sept. 10.—The immigration returns for the month of August show that 14,836 immigrants landed in Canada. Of these 5,895 were passengers for the United States, leaving 8,941 who settled in the Dominion. Since the 1st of January 112,512 persons entered Canada as immigrants, 48,277 of whom intended settling in the U. S., leaving 64, 235 who settled in the Dominion. These figures are below those for the corresponding period of 1883, when, up to the end of August, 134,837 persons landed on our shores. Of these 80,011 settled in the country and 54,826 took the Canada route on their way to their destinations in the United States.

This diminished movement of population towards Canada is the result of a generally diminished emigration from Europe this year as compared with last year. It is gratifying to note that, of the whole emigration landing at Canadian ports this year, Canada has secured a larger proportion than she did last year. This year over 75 per cent. of all the immigrant passengers landing in Canada remained with us, while last year only 68 per cent. came to settle in Canada.—*Mail*,

Now, a great cry has gone up throughout the Dominion about hard times for our Inland Marine. It is not to be wondered at, as crops of all kinds of cereals have been abundant in the Old World, and they are not wanted there. Another reason is that the mouths have been coming out here and into the United States as fast as they can; and what with this and our increase of population in the usual and natural way, which is another cause of grain not being wanted, to be taken through our canals. Now is the time the beaverback comes into use as a domestic money. Our exports have not been as much as usual from abroad but our internal improvements must go on as usual, until the next year. It is not usual that grain is not wanted in England; it is one year in ten. My advice is, farmers, keep on sowing and planting as fast as you can; there are wars, and rumors of wars in the Old World. If they fight they cannot work, and if a bad crop comes on as well, then is our time, so keep a

stiff upper lip, and keep working away, sons of Canada ; strike hard at your work in the woods, on the farm, or in the workshop ; better times are on the way to us ; the tide will turn some time, it will not always be ebb tide ; it will be flow tide soon, perhaps before you are aware, and ready to meet it ; you, nor I, cannot tell. When the Canada Pacific Railway is once open from the Pacific to the Atlantic ocean we will have a fine road for peace or war, a back-bone out of reach of the enemy, to carry our supplies in time of peace or war, with a thickly settled country a good part of the way, and will be better settled bye and bye, when the C. P. road is an accomplished fact in 1886, perhaps before. Then we shall feel the want of an extended currency of national issue. When we are a rich and prosperous people, as a nation, our credit will be first-class always with other nations, and we shall not have the least trouble in extending our trade into foreign countries ; in our internal trade we will find paper money convenient to carry about in our pockets, for carrying large coin in your pockets, either gold or silver, for instance. Four \$20 gold pieces are not much, but try to carry a thousand, or four thousand dollars in gold and silver dollars, or half dollars, you will have a time of it. If you have just been paid for some lands, etc., and then have to catch a train a mile from where you received it, on a day in July or August, the thermometer at 100 in the shade, you could not do it ; you would have to get help to carry it, or leave it, or stop and sleep by it ; but you cannot do

a note that, you have to meet at the bank 100 miles away, by rail, and the three days grace is up; now you are in a fix. Or perhaps it is in the winter, it has thawed all day before, but it has frozen during the night and the roads are like glass; you have a pair of city-made boots, with high heels, and no creepers to put on—you left them at home; didn't expect it—how are you now. I will wager there are many men in Canada who have been in such circumstances, and if he was not an almighty good Christian, he has prayed, not loud, but deep, and put up more damns than would bank up some parts of the St. Lawrence River, if they were in solid square feet of stone. The Honorable Malcolm Cameron was in such a fix as that, for I have heard him tell my father and I, at our own table, that he was in the habit of selling land in the backwoods, and once in particular, he was paid a thousand or fifteen hundred dollars in American dollar and half-dollar pieces, and he told us he was compelled to hire two men to assist him to carry it, and I believe it was often the case with him during the war between the north and south, but in smaller sums; but it wears out your pockets. I know at that time I used to get holes worn in my pockets, and lose out small change and bruise my thighs, and other things generally—I have not had much coin lately to try it again. I recollect one day I was in Harrisburgh station, on the Great Western railway, and I saw one of the Guelph merchants, Mr. Rutherford, I think, and one of his clerks, taking four thousand dollars in gold and Ameri-

can silver—three thousand dollars in a leather bag, with a stick run through the handles, and each one at either end of the stick—and they had all they could that way, besides a small shot bag of gold in their other hands, carrying them from the Guelph and Harrisburg railway to the G. W. R. cars—just across the station platform. Now, that was a perfect nuisance. Soon after that the Honorable Malcolm Cameron, with the help of some other members, brought up before the House a Bill requiring the Government to make only a certain amount of gold, silver and copper coin legal tender. It is within the memory of a great many old, as well as young men, that such is often the case with many throughout the provinces; you know such cases to be truth. Some years ago coin was the only currency. A Government currency in Prussia—I do not know if it is so now—but a very large amount had to be transferred from one bank to another, it being the only national currency, and it took sixteen cars, loaded, to convey it from station to station, consequently it was handy stuff, was it not?

Now, I must say a few words about the way a great many of the private banks have conducted their affairs, both on our side of the line and on the other side. They have been unfortunate in having Presidents either lacking in judgment or disobeying the order of the board of directors; cashiers, tellers, clerks and and employees have absconded with large sums of money belonging to the banks; but in some

cases they are covered by fidelity guarantee, and so the banks are saved a little. But sometimes it is more than the guarantee covers, then the bank loses. As a rule Government employees, as a body, are more honorable, and feel above such a mode of becoming rich, and not only that; after serving a certain number of years, on behaving well, are entitled to half-pay all their lives; but if they leave before they have served their full time, they then get a gratuity, and after that is spent, starve, or work if they are not too old; and it does not matter how good they have been before, even if they only have a very few years yet to serve. That will be altered some time, when it pinches some scion of a big house who has some influence. It should be altered, even if only for credit of the country, those who have served the best part of their lives for their country; but because they have been unfortunate enough to have bad health, and been compelled by that only to retire, it seems very hard indeed. But the case is altered; if any one has had the good fortune to break or lose an arm or leg, he gets a few hundred dollars per annum. but not enough to keep body and soul together. But if he is fortunate enough to get his neck or head smashed in a collision, he nor his family get anything, not even his funeral expenses. and his widow or orphans do not get anything from the Government. But the case will be altered sometime, for it is in England now. The private bank clerk is not provided for in any way whatever; thus the temptation in some is very hard to resist, unless govern-

ed by most honorable principles. Now, the way in which the banks (they must speculate to make money) ought to do is to let the parties to whom they loan money speculate, and run the risk, but let the bank be as well seured as possible. The Government bank will not speculate or loan, only issue, and the cost to the people of the Dominion is the plates, bill paper and labor—that is all. If a great profit is to be made, why not let the Government of the Dominion make it? the Government alone has the right to do so. The Government is honorable; it does not do a mean action, steal, misuse, or abuse their trust, but account to all parties, to a half-penny, cent or farthing. Now, if the Government bank issue had been put in operation before the Canadian Pacific railway was contracted, for instead of borrowing money from England, we as a nation would have saved money by paying for it in our own issue, backed by the national credit. But you were all so slow about petitioning Government through your members; you were not wide awake to your own interest; but the bankers were, and they all make a very quick, quiet dash to Ottawa, and brought all their forces up to the attack at that time, horse, foot, and artillery, and won the action. If a Government bank of issue and deposit was formed, giving only five per cent., many people in England having money in stocks would very gladly invest here, as they only get three per cent. in consuls, and two and a half from private parties, for there is not that great scoop for large speculation in land and grains of all kinds, and in fact everything, in Eng-

land, that there is here, and all those having large sums invested in the bank of England only get three per cent for thousands of pounds, but it is perfectly safe. Just look at the difference; two per cent. more than they could get in England; one per cent. more would be just double what they get in the Bank of England. Here it would be just as safe, but in our Government bank. A great many emigrants are coming out here to go to Manitoba, and other more thickly settled parts, and could live very comfortably on a nice little farm, with their money safely invested in Government bank stocks, and drawing interest nearly double what they got in England. We are at peace with all the world, and likely to be for a long time, unless some nation treads on our corns. Then old England will stand by us, and we will be safe; we need not care. So, fellow-countrymen and Canadians, you need not care; keep a stiff upper lip, and push along; keep moving along on the even tenor of your way. I have subjoined a few extracts here showing how it is possible that money is lost by parties employed in private banks. What presidents, cashiers and clerks have done on our side of the line as well as the other in losing funds placed in their charge; and also to show what is now doing by their American Pacific Railway, running paralell with our own Canada Pacific Railway, only ours is the longest, and reaches from the Pacific to the Atlantic Ocean.

TWO THOUSAND DOLLARS SHORT.

From our own Correspondent.

BROCKVILLE, Nov 28.—Considerable excitement was caused yesterday morning by a rumor that a deficit to a large amount had been discovered in the accounts of J. Wood, teller in Molson's Bank, and that he had taken his departure hurriedly. Upon making enquiry of the manager, Mr. Rivers, the following facts were ascertained:—It seems that Wood had been making free with the bank's money for some time past, and has hitherto managed to manipulate his balance sheet so as to escape detection. However, on Tuesday the inspector, Mr. Heaton, arrived without any warning and began the examination of the books. The clerk, taken unawares, was unable to "fix" his figures, and the inspector immediately

DISCOVERED THE DISCREPANCY.

He told the young man that he was \$2,100 short, which he admitted on the spot. Wood said he had come to the bank heavily in debt, and his creditors had been pushing him so hard that he taken the money from the bank, hoping that before it was discovered he would be able to replace it. He told the inspector that he thought he would be in a position to make good the money immediately, as he had friends whom he thought would help him. He left the bank, and the next thing heard of him was that he had gone across the river, being rowed over, it is reported, by a friend who also is a bank clerk. Steps were im-

mediately taken to bring him back, and the officers of the law are now after him. The deficit is fully covered by his guarantee, so that the bank will not be the losers.

A great deal of surprise was evinced when the disclosure was made, as Wood was very popular here, and not thought to be in any financial embarrassment, nor was his mode of living considered extravagant. He is an Englishman of good family, and, it is said, of large expectations, and is also well connected in London, Ont.—*Mail*.

Toronto, Nov. 29, 1884.

THE GREAT WATER ROUTE.

A new era of prosperity, it would seem, is about to open for our lake marine. The Northern Pacific railroad has issued a circular announcing that they will carry grain from all points on its line in Washington territory to Duluth, Minneapolis and St. Paul for \$8 per ton, the present rate from Portland, Oregon. The circular also states that the rate of \$7.60 per ton can be secured from either of these points by way of the lakes to Liverpool and Glasgow, thus giving better through rates to shippers than by way of Cape Horn. According to the figures of the *Buffalo Republic*, the cost of carrying one ton of wheat from Portland, Oregon, to Glasgow or Liverpool, by way of Cape Horn, varies from \$15 to \$20 per ton. Another and still greater drawback to the Cape Horn route is the fact that it

takes five or six months to make the voyage in sailing vessels, with the disadvantage of the grain having twice to cross the equator. The action of the Northern Pacific will have a tendency to revolutionize trade on the Pacific coast, and to bring the surplus grain grown in the vast Columbia river region to the Atlantic seaboard by way of the lakes and canals. This was one of the dreams of the original projectors of the Northern Pacific, and if it is realized, as seems probable, a great stimulus will be given to our present depressed marine.—*Journal*.

Sept. 13, 1884.

A NEW YORK BANK RUINED BY ITS PRESIDENT.

MIDDLETON, N. Y., Nov. 28.—The Middletown National Bank closed its doors this morning. The failure was caused by President Thomas King, who accepted large drafts from Benjamin D. Brown, grain dealer of Indianapolis and Burlington, without security. Brown has made an assignment. The capital of the bank was \$200,000 and the surplus \$115,000.

Bank Examiner May is now in possession of the bank. President King takes all the blame to himself. In July last the directors notified King that Brown's credit must not be extended, but reduced, but King disobeyed their instructions. The record of acceptances of Brown's draft on the bank were kept by King in a book, and concealed

from the other officers. It is believed that more than \$200,000 of such acceptances are out, and that the entire

CAPITAL AND SURPLUS WILL BE WIPED OUT.

The directors are County Judge John G. Wilkin, U. S. Senator Van Wick, of Nebraska, Col. D. C. Dusenberry, W. H. Clarke, Horatio R. Wilcox, A. L. Vail, U. T. Hayes, President King, and Cashier Daniel Corwin.

A run on the savings bank here drew \$20,000 to-day. The bank is said to be solvent and ready for any emergency. Houston & Conklin, and C. C. V. Ketchum, grain dealers, who are endorsers for considerable amounts on Brown's paper, have assigned to protect their creditors. President King is at home very ill. It is thought he has not profited by the crooked transactions, but that he was infatuated with Brown. Brown's operations have been very heavy, as much as half a million of his paper being handled by the bank in a week.

Says the *Wall Street News* : When the cashier of a bank skips out with eight-tenths of the capital, depositors are informed in the sweetest, softest voice that the integrity of the bank has not been impaired. This is to give the officials a chance to divide up what the cashier left. When the president of a bank makes a clean gut of a shop, taking both capital and deposits, the public are tickled with a leather labeled: "Bank will re-

open in a few days and pay depositors in full." This is to give officials time to put real estate and personal property out of their hands. When the President, Treasurer and cashier of a bank rob it for money to carry on outside speculations it is not expected that any of the trio will commit suicide when the exposure comes. On the contrary, they are entitled to sympathy, and if any one should be sent to States prison it must be regarded in the light of an accident. A bank is a sacred institution. A bank depositor is a person who is willing to be robbed if the offence is not committed on the highway.

Now, I would remark with regard to the holders of bank bills, issued by Government, as I suggested, would be placed in, there will be no loss sustained by any person who has a Government bank bill in his hands; it does not matter how long he may have it; the value is the same always, it never depreciates in any way; for the only way I propose the Government shall redeem it's bills issued is to appoint an officer to receive a torn or worn out bill when presented at the bank, or branches, either the post-office, customs or inland revenue offices shall give a new one for it; then the officer of that office shall send it to the head office at Ottawa, or the Receiver-General and they shall remit a new one to the office that sent it; so that no person will feel the loss of any bill. and the Government only loses the paper and printing, and under that plan we will always

have decent bills to handle, and an officer can be appointed to burn or destroy the old one, so that it never goes out to the public again. All the one pound notes were destroyed in England when they were called in, and burnt in an oven made for that purpose, and it took about three days to burn them; the cinder that they formed is in the British Museum at London, England, in a large glass case. Now, if the grand confederation of all the British Dominions takes place our national bills would surely be taken at par value, as no doubt we would have to take theirs at par, and would save a great deal of misunderstanding about exchange. Now, another thing could be done with Government money to help the emigrant who wants work, to lay out money in ditches to drain the wet part of the townships that require it, on application of the Council of any township, city, town or village; but they must not throw any obstacle in the way, provided the Council make the application in the proper way, stating the size of ditch likely to be required, length and probable cost; then the Government shall appoint a provincial land surveyor to make a survey as to depth of ditches, and levels, and where culverts and bridges are required, and make his report accordingly. Then the Government can order the Council to employ men enough to commence and finish it as soon as possible, not letting any unnecessary delay occur between the time of the application of the township or county council, as there will be always money ready to

pay when the Government will have plenty in the Government bank always, ready to pay out for work done for it. Then the lands, if owned by Government, can be placed in the market and sold, and the sale of them will more than repay the cost of survey, ditching, etc., for I know of acres of land drained in that way that have been sold for \$3, \$5, and \$10 an acre, about some settled parts of Sarnia, at Lake Wawanosh, and on 4, 5, 6, and 7, concessions of Moore, and some parts of Lambton, once the abode of muskrats, rattlesnakes, frogs, toads, and millions of mosquitoes. That is a thing of the past, and now it has produced fine crops of corn and potatoes, and very heavy crops of all kinds of cultivated grasses of rank growth, for the depth of vegetable mould that is brought to light by the drainage system is from the depth of two to three feet of the very richest description, and when plowed up and exposed to the action of the severe frosts of our winters, is just like flour in the spring, it crumbles up as such.

Now, I would ask you to give a few moments time with regard to the power the Government has to place its fiat on anything it chooses, and to convert it into money and make money out of it, and every person in this whole Dominion has, and still recognizes this power every day. Who has the power to say these postage stamps shall be worth, one, two, three and five cents, postal card one cent, and the medallion three cents, on the envelope and register stamp? Why, the Government, and no one has ever disputed the

right of the Government to do so ; and it has converted that piece of paper which was of so small a value before the Government fiat was placed upon it. The Queen's face was impressed upon it—that gave it value ; also the same thing was done with regard to bills, notes, etc. ; yet no one grumbled. A revenue had to be raised out of the recourses of the Dominion ; it was done by extraordinary means, but legal. Now, what is to prevent Government from issuing a much larger volume of paper money ; we are in a great strait, commercially speaking, and it only requires a very great effort on the part of the people to crush out and down by all legal means in their power the great influence the banks have over a certain class of our people. But when all this was done to raise the revenue out of individuals, the banks did not use any influence against them, although the money was taken out of the people with regard to the stamp duty on notes, bills, drafts, and all that class of paper, and you received not a single benefit in return ; but you do in postage stamps, because you get your letters and papers conveyed from one point to another, and taken the greatest care of from the time that you intrust it into the care of the Government until it is placed in the hands of your friend or business correspondent, as the case may be.

Now, where the shoe pinches is here. The banks know that the moment the Government stops the issue they lose the great power they have hitherto wielded over the people and over the members and the Government ; that is the

reason the bankers are raising heaven and earth to stop the bill becoming law. I would say, the banks have shaved us and the Government long enough; we think it is time to stop that work; we want to have a chance to make a little; the banks have ruined enough orphans and widows and old men, and it is time to put a decided stop to it, once for all. The very moment the Government stops the power of banks to issue bank notes, and issue all bank notes of Government from that moment, the people, and, of course, the Government, begin to make and save money, and then, I think, the Inland Revenue can be taken off, unless it will be kept on as long as the loan, principal and interest is paid—borrowed by the Government to build the Canada Pacific Railway, the great back-bone of the Canadian railway system. It will pay after a time; we shall share the world's travel, and it's a thousand miles shorter to Europe and Asia than by the American roads, and of course much less risk, etc. I would say again, my fellow-countrymen, you must make an effort to stop the issue of the private banks, now and forever, or we shall always have these periodical crises, and private banks breaking down every now and again. I am not injuring the banks; they, as a body, have injured their own credit with the country long ago, and the credit of the country too, as it appears that our private bank bills are at a discount, and there is some talk of the United States people refusing them, and accepting our Government bank notes only. Well, it is only what we have done, and

are still doing every day. I will not accept any American bill, except the States Government bill, which is perfectly safe, and is as good as gold, and taken by merchants in preference; in fact, the Government for some time paid their employees in gold and other coin, which they found inconvenient to carry about, and at last merchants and others petitioned the Government to pay their employees in greenbacks. That was an admission in favor of paper money; a money more convenient than to load a man down with metal, making a pack horse of him, and tearing his pockets off, or compelling him to put in chamois leather pockets, or sheet-iron. A long pull, a strong pull, and pull together, and you will get the bill passed, and you never will regret doing so, as you will then have a perfectly safe currency. Why should you be afraid to fight a man you met on the Queen's highway, and who told you to hold up your hands, and you have a very large sum of money in your pockets, would you quietly and tamely let him take it all out, or, as the slang term is, let him "go through you," while he held a revolver. Perhaps you are saying, not if I know it; and yet you have allowed a banker to rob you and your friends by placing money in his bank, in shares, and on deposit, and taking his promises to pay the notes, and he does not want to see two of them come back for gold; perhaps one may come back, and he has the gold dollar for that; but if two dollars came back it would be a tight squeeze, and if one-third of the issue was to come it would be an unexpected

pleasure, he would be asked to call again; the banker would be quite unprepared to receive it, put in three days the doors would be closed to keep out the drafts; it would be right in a day or so, as they had closed for some repairs quite necessary to the bank; but come in at the side door. Now, you would not let that man stop you and attempt to rob you, and have not had half the chance to resist it, because he has the law on his side, to rob you. Is not that obtaining money under false pretences? The banker pretended he had gold to meet the amount, the bill bears the promise to pay the bearer, and he only expects one dollar out of the three, possibly two, but never all three; that would never do; there is no money in that, the bankers say. But when the bank breaks down, that is where all three are made clear; so honor is all gone. Then is the row outside of the bank; it is a wonder they do not lock the up building and punch the president and directors; no, they are protected by the law; you allowed your Government to make it so; you must grin and bear it, or alter the law. But you have a much better chance and power over the man who met you on the road, who put the revolver to your head and said, "Hands up," and tried to steal openly, either at night or in broad daylight. Perhaps you shot at him and killed or wounded him; not so with the bankers; at any rate it was the most manly, open way of the two, only not legal way of robbing you. But he did not deceive you; he gave you to understand that he wanted your money, and he was going to try and

take it, if he could; you had a chance to fight him, if you had courage enough to do so. But the banks have taken a sneaking way of getting your money; they tickle you with a straw on the cheek, and put their hands into your pockets, or the next thing to it; they have deceived you in every way. Emigrants, and friends of emigrants, I would advise you when you come into this country at first, to put all your spare cash into the post-office savings bank; it will be safe, and drawing a little interest — four per cent.; but it is in a safe place until you want it; you will have to give three months' notice of withdrawal; but before you deposit your money the postmaster will give you all the proper and correct information as to what way you must proceed. Then you have plenty of time to look around, now that your money is in a safe place, and you leave it there on interest; and if you have a very large sum that you do not want at present you can deposit a thousand dollars in your own name, another in you wife's name, and a thousand dollars to each of your children, even if you have twenty-five; that would give \$27,000 at four per cent. per annum, which equals one thousand and eighty dollars (\$1,080) interest, and that is a very good "nest egg" to fall back on. Of course, before the year is up you have moved on to your little farm, your crops are all in, and you are preparing for our long winter, the interest comes in very handy. As you have only come out in the spring, and if you have taken up a bush farm, your fuel costs

nothing only your labor of cutting and drawing it to you house ; your house is your own, rent free ; your taxes are very small in the country, \$4 to \$5 per year, and road work a few days. You are now independent ; now you can vote for the member of Parliament, who will bring up a bill to vote for a national bank of issue and deposit, a good currency and safe money—no break down.

Now, if the Government was to take the control of the issue of bank bills, with the understanding that there would be no loss, not even by being worn or torn by use, but, by sending or taking them to the place where the person would be appointed to receive them, and if not a forgery, to give a new bill, without any change, and if a forgery, to destroy it at once, as well as all worn out bills. We would then have a clean, decent currency, always fit to handle ; but all bills must be taken to the Government bank, or its branches, while the marks, signatures, &c., are still visible, and what date issued, so as to show it to be a good bill of Government issue. With regard to deposits and purchases of Government bonds and other securities, I would say, let them be called three per cent. consols, or whatever whatever percentage is thought proper, and to be permanent ; and bearing in mind that our Government must offer more than England or the United States, and the security offered is as good as theirs, but we can afford to give a little more, as we have a better scoop for it, and larger than England, and just as good as the States. The amounts of all sums received by Government for any sales of

bonds and other Government securities whatever, to be used for the permanent improvement of the country ; the improvements made : to be made to pay tolls, or fees, not more than sufficient to pay the employees, and to keep the works in thorough repair, &c. Then the country would not have to be taxed to pay the principal, and only those parties who used or are directly benefitted by the works, and could afford to pay for the use of them, all description of national improvements, such as light-houses, light-ships, canals, railways, roads and drainage in new settlements, elevators of grain and very heavy material at all places of shipment, either on sea-board or at the lake ports, or canals, also cranes, windlasses, &c., and to build any Government steam or sailing vessels.

FOUR PER CENTS.

BY SYDNEY GREY.

Let others tell how foreign bonds
 Their owners reimburse,
 And laud them up as fairy wands,
 Which soon will fill the purse ;
 Let brokers try to make me pay
 More heed to thriving Rentes,
 I listen not, but make my lay
 In praise of four per cents.

Some trust to mines in veins of which
 The road to wealth seems plain ;
 I'd whisper to the would-be rich,

Too oft 'tis all in vain.
 A fortune in futurity
 Their golden dream presents ;
 Small gain and good security,
 My modest four per cents.

We read of startling dividends,
 That prove the richest—joke,
 And many a flaming scheme that ends,
 Most fittingly, in smoke.
 Projects and plans, which should he trust,
 Confiding man repents ;
 No, no ! In cautious mood he must
 Rely on four per cents.

Ah ! then when breakfast calls him down,
 The daily news to cull,
 If loans are " weak " he does not frown,
 Nor quake if shares are " dull " ;
 And railways may be very " flat,"
 His peace that ne'er prevents,
 He all the more is merry at
 The thought of four per cents.

I don't believe—directors may—
 In making soup from size,
 Importing chairs from Table Bay,
 Or something just as wise.
 We will not say one word about
 Their good or bad intents,
 But, if thus far you've heard me out,
 You'll keep to four per cents,

I have converted the above from three per cents. to four per cents. to suit the Dominion of Canada Post-office Savings Bank, but the spirit is the same. The composer of the original lines is a true believer in Government securities, and I could not help copying the lines, as I thought them very well suited to express the ideas of a believer in Government securities. If the person was in this country he would be a "beaver-backer."—*Torpedo*.

The amount standing to the credit of the depositors in the postal savings banks of the Dominion at the end of 1884 showed an increase over the previous year of \$1,603,258. The number of depositors in the first half of last year also increased nine per cent., and in the last half fourteen per cent over those of 1883.—*Mail*.

January 20, 1885.

During Sir John Macdonald's reception and banquet at Toronto, December 17, 1884, not a word was said about a change of currency. Are they going to carry on the same system as formerly and let the private banks have their own way as before, to rob the country as they like. It seems strange that such an important matter should be overlooked; what is or can be the reason; perhaps honor to the chief was the all-absorbing topic. I find that I shall have to use my torpedo to make a noise amongst the banks;

then perhaps Sir John and others may ask what is the row; but the end is not yet; there is plenty more to follow the rag baby, who is marching on to victory, and then he will be able to say, in the language of the Roman general, the three important words, *Vedi! Vidi! Vici!*

FINIS NON EST.

ERRATA:

On Title page read Capt. Rueben Wynne; on page 14, line No. 10, read *Journal*; on page 18, line No. 24, read Capt. Rueben Wynne; on page 13, line No. 25, read Capt. Rueben Wynne; on page 22, line No. 6, read "although;" on page 35, line No. 8, read "fills a;" on page 35, line No. 9, read "enterprises;" on page 38, line No. 27, read "shaving;" on page 39, line No. 9, read "producing;" on page 41, line No. 4, from bottom, read "issuing of notes;" on page 44, line No. 2, read "10 per cent." instead of "two per cent.;" on page 54, line No. 1, from bottom, read "but that you cannot do;" on page 58, line No. 5, read "secured;" on page 63, line No. 6, from bottom, read "that the integrity." Where "National Policy" occurs, read "National Currency." On page 65, line No. 19, read "but there;" on page 65, line No. 24, read "Government can."

