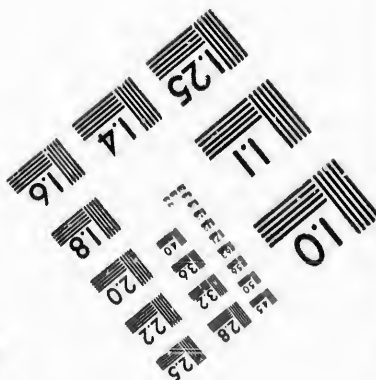
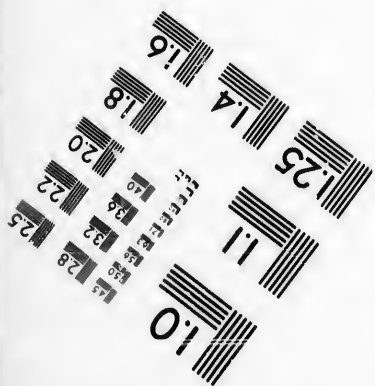
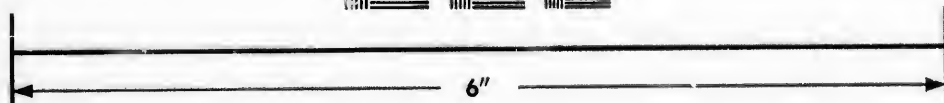
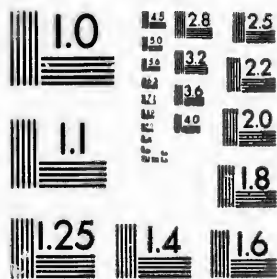


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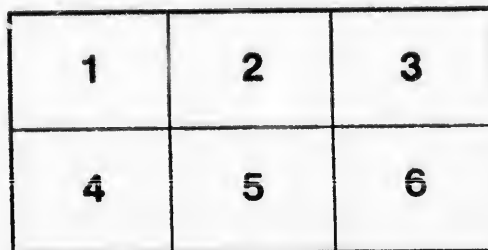
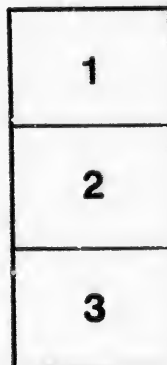
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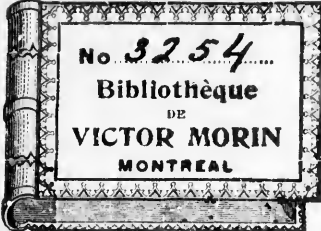
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OF A SYSTEM OF

TERRITORIAL BANKS

FOR THE COLONIES.

BY W. JOPLIN.



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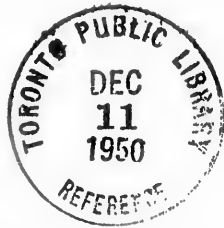
1830.

SIR HOWARD
Governor, and
Province of New

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DEDICATION.

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*To His Excellency Major General SIR HOWARD
DOUGLAS, Bart. Lieutenant-Governor, and
Commander in Chief, of the Province of New
Brunswick, &c. &c.*

SIR,

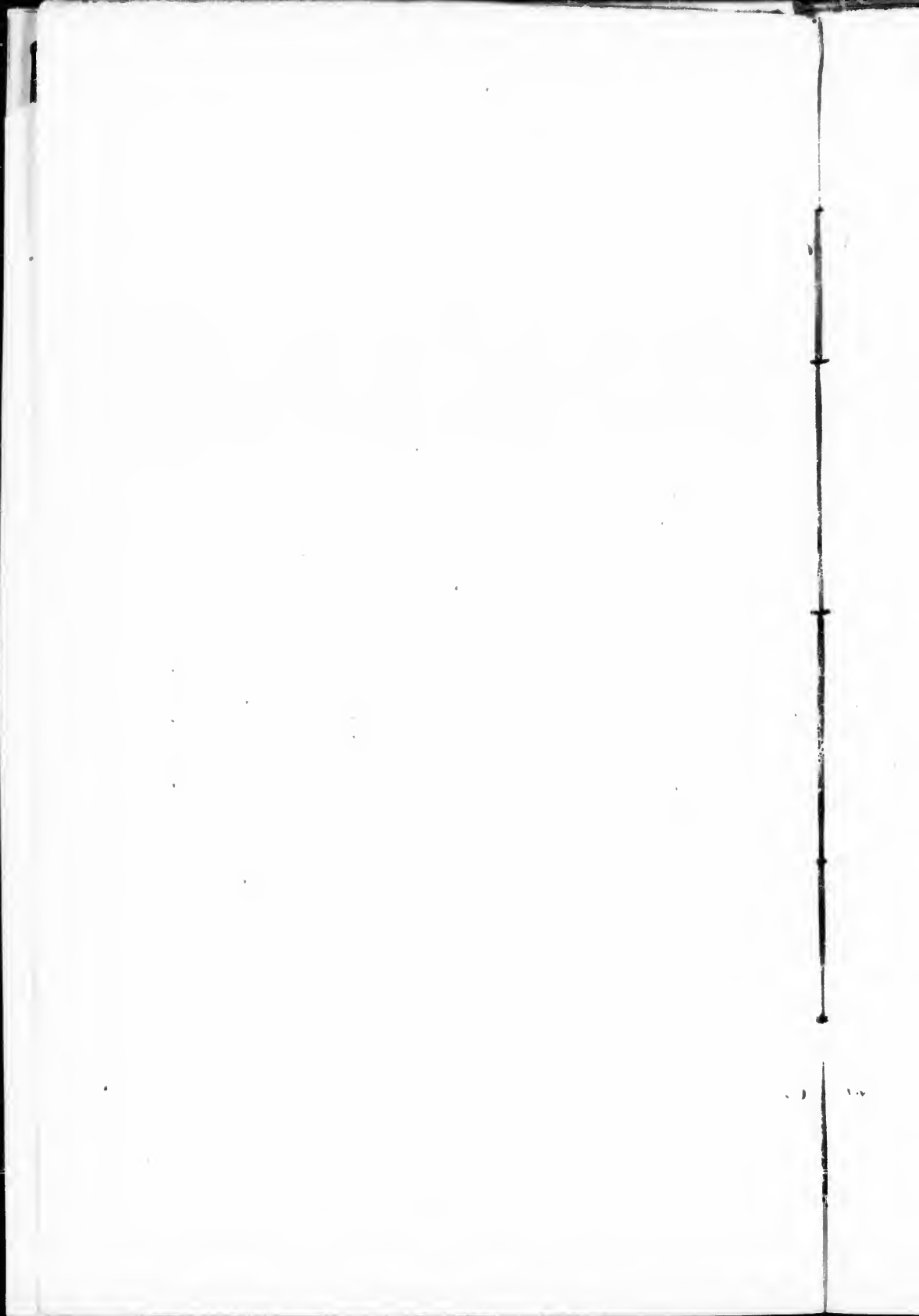
PERMIT me to call your attention to the following observations, by dedicating them to you. I am persuaded that His Majesty has not a Representative who has done more to render his Government popular, nor any Colony a Governor more devoted to its interests. This last consideration, renders it eminently proper, while it is in conformity with public sentiment, that any plan, which has the general good for its object, should be submitted to you in the first instance; and I have only to hope, that these few pages may be found to contain suggestions worthy your attention.

I have the honor to be,

With great respect,

Your Excellency's very obedient humble servant,

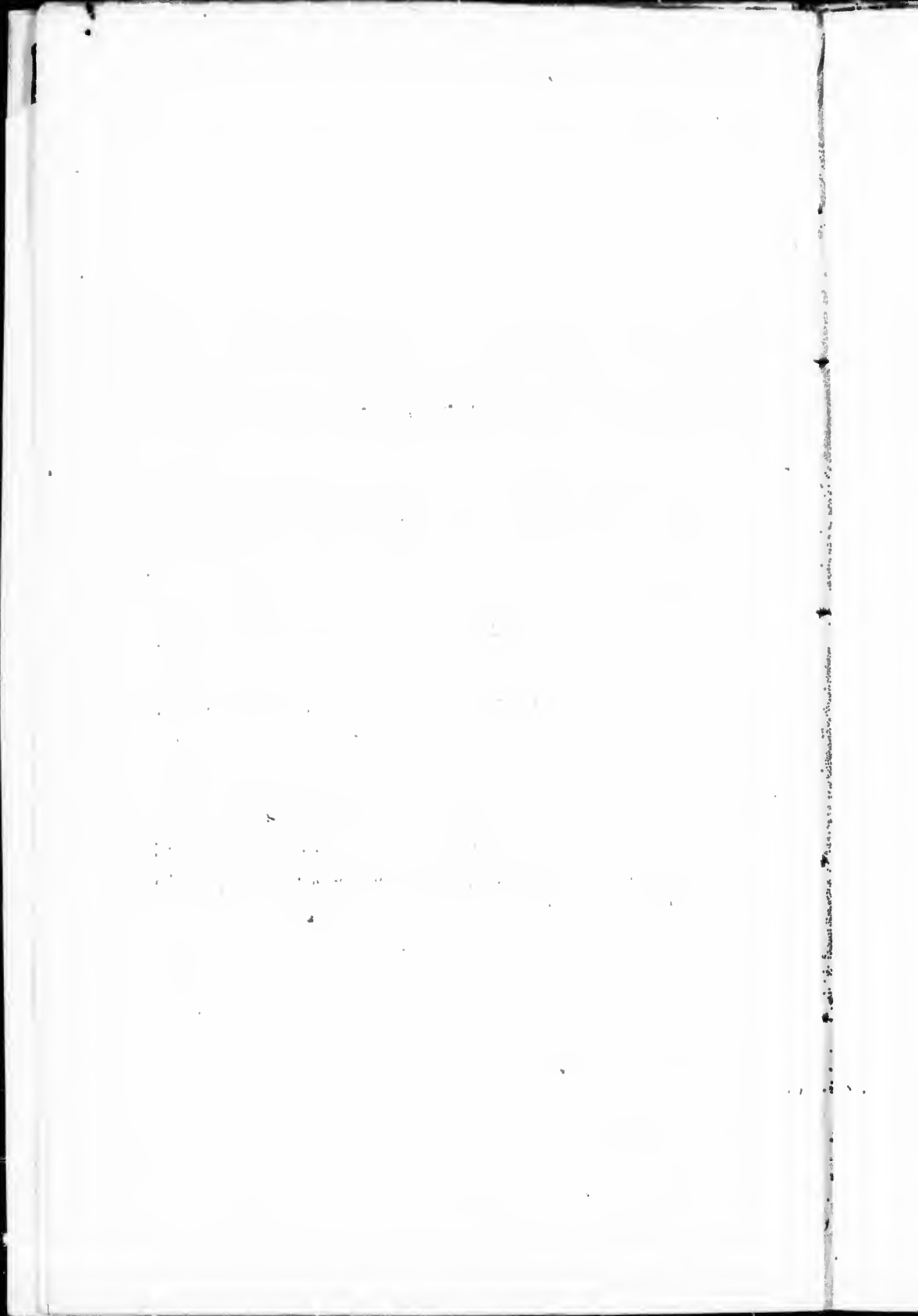
WILLIAM JOPLIN.



P R E F A C E.

THE Author has a Brother in England, who is well known as a writer on *Banking and Currency*, and also as the founder of the Provincial Bank of Ireland. This Institution is constructed on a new principle. It is instituted in London, while its establishments of Business are in Ireland. The undertaking, though novel, has proved successful to those embarked in it, and highly beneficial to Ireland, not only by introducing *British capital* into that country, when capital is much wanted, but by affording a means of giving increased activity to its *own*.

The success of this experiment, led the author to enquire, whether it might not be possible to frame an Institution which might in a similar manner, be useful to the British Colonies in North America, and this enquiry led to a correspondence, of which the following may be considered the result.



ON BANKING.

To supply with Capital the industrious, who can turn it to good account, is universally admitted to be one of the most effectual modes of promoting the prosperity of a country. This is particularly the case with young Countries, such as Briti. With us the field of employing Capital is extensive, great, but the supply limited, and any means by which materially increased, would prove in the highest degree the country. No apology is therefore necessary, for an attempt suggest means for this purpose, which is the object of the following brief and imperfect observations.

In considering the best mode of supplying a demand, it is proper to examine the nature of it in the first place: for, without understanding its nature, there is little chance of forming right conclusions on the subject.

First, then, we have no manufactures, nor are we likely to have any for half a century to come, and it is not for manufacturing purposes that a supply of Capital is wanted. In the next place; our commerce, which is very limited compared with that of other Countries of similar extent, is chiefly, in New Brunswick at least, with which I am best acquainted, in the hands of wealthy houses connected with Great Britain, who have an abundance of Capital. Hence it is not in commercial operations that any great additional supply of it is required. It is, therefore, in agriculture only that Capital is wanted by us to any great extent. But we have only to look at the quantity of land we possess, which, though settled, is uncultivated and unimproved to be satisfied that the extent of demand there is for Capital to be thus employed is very great.

Any plan, consequently, which proposes to introduce capital into these Colonies, must have for its object to advance it to the cultivation of the soil, or it cannot be extensively useful.

It must also be observed that the demand is in some degree peculiar. Land is at present to be had in many parts for a nominal consideration by those who can cultivate it. Men, in consequence, do not remain long in servitude, but marry and settle upon land of their own. This renders it difficult to keep servants, and prevents the employment of Capital in agriculture on a large scale. The chief demand for it is therefore by small proprietors who cultivate the soil themselves.

It must further be observed that Capital lent for the improvement and cultivation of the soil must be lent permanently. The returns from Land are slow. Even when employed on the best soils, it will be six or eight years before it will repay the Capital laid out upon it. No person, therefore, could venture to borrow money to be expended on Land, without the repayment of it were left to his own convenience, or fixed at some remote period.

Small proprietors, also, can in general only give security for small sums. Hence the demand we have for capital on good security, though great in the aggregate, consists chiefly in a demand for small loans, for indefinite periods, on the security of Land.

The object for consideration, therefore, is how to supply the demand, it will not be supplied, unless it can be made the interest of parties to supply it; and the question is—how can it be made the interest of capitalists to lend money in small sums for indefinite periods on such security?

Where Capital is much in request, the establishments of Banks is in general the first step resorted to, and this has already been done. There are Banks in all the four Colonies of Nova Scotia, New Brunswick, and Upper and Lower Canada—but no benefit to the cultivators of Land has been derived from them.

Banks, notwithstanding, are the medium, through which the Capital we require must be obtained, if it be practicable to obtain it. We shall therefore proceed in the next place, to examine the nature of Banking, and the reasons why our Banks are not this medium at

present; and this will naturally lead us to the consideration of the plan it is our intention to suggest.

Our Banks are Joint Stock Companies—founded on the model of the Banks of Scotland, and as Banking is said to exist in the greatest perfection in that country, we cannot give a better idea of the nature of it generally, than by quoting Mr. Thomas Joplin's description of Scotch Banking from his work on that subject.

“The original and proper business of a Banker is to trade in capital. He ought to be that medium between the borrower and lender in the money market, which a merchant is in other commodities. It is the business of a merchant or trader to buy of the producer on the one hand, and to sell to the consumer or retailer on the other. He acquires a knowledge of both parties, and they of him, and for his credit capital, labour, and knowledge, he charges a profit upon the commodity which, through his agency is transferred from the party who has it to sell, to the party wanting to purchase it. Now, what a merchant is in other commodities, the Scotch Banks are in money. They borrow of those who have it to lend, and lend to those who want to borrow it, acquire a knowledge of both parties, and charge a profit of one per cent. upon the transaction. Any person opening an account with them, receives four per cent.* upon the balance in their hands. He may pay money to the credit of his account when he chooses, and he receives interest for it from the day it is deposited; he may draw his money out of the Bank when and in such sums as he thinks proper, and only loses interest upon the sum drawn, from the day of receiving it. On the contrary, any person giving proper securities, may open an account with them, and draw to the extent of the security given, for which they will charge him five per cent. upon the fluctuating balance he owes. Consequently, a person who has money to lend is saved all the trouble, not unattended with risk, of mortgages, and may have his money, or any part of it, at any time, should a desirable purchase fall in his way; whereas with a mortgage he cannot draw his money when he wants it—must take it altogether when he does draw it—or, if the borrower chooses, must take it whether he wants it or not. Their object, however, in borrowing, being to lend, the facilities

* Since the above was written, they have reduced the rate of interest to 2 1-2 per cent., and have raised it again to 4 per cent.—Note to 5th Edition.

given to borrowers, are equally great. In the first place, they will discount bills and other mercantile securities, that are perfectly regular and good, at any time, and to any amount. Thus merchants can calculate with certainty upon being accommodated in the course of regular transactions to any extent, which is of infinite service to them, as it would be better for a merchant not to have such assistance at all than to have any uncertainty respecting it. In the next place, they grant Cash accounts, that is, any person in business, by giving two sufficient securities, may open an account with them, and overdraw them to the extent of the security given, for which, as before stated, he is charged five per cent upon the balance he owes. Very great advances, not to mercantile men only, but to all classes of persons, are made in this way; and in the last place, they make advances upon real property, some of them to a very considerable extent. The plan they pursue, I believe, is, for the proprietor to pledge his estate, or other property, with the Bank, for a given amount, open an account with it, and draw as his occasions may require, to the amount prescribed. Thus, when any persons wish to borrow, the facilities held out to borrowers induce them equally with the lenders to make application to the Bank.

As individuals often call in the money they have lent out on mortgage when they can find better employment for it, or when the death of a party produces a division of his property, by which a great expence to the mortgagee is incurred in procuring a fresh mortgage. Banks are therefore more to be depended upon, and borrowers being just as much wanting by them as lenders, and the money which they lend being rarely, or in fact, never, called in again until it is the pleasure of the borrower to pay it off, people in want of money, will prefer dealing with the Banks at even a higher per centage, while lenders, on their part, prefer dealing with them at a per centage something less than individuals would give. Thus in consequence of the security of their property, and the readiness with which they can at all times obtain it when wanted, a difference of one per cent. is not found to be a sufficient inducement for the borrowers and lenders to pass by the Banks and to transact their business direct with each other. If they did, the gain would, of course, have to be divided between them, and a half per cent. would be no compensation to either party for the additional inconvenience, risk, and trouble, in which they would be involved.

Whereas the Bank being open and ready at all times to meet the wants of each party, unless among particular friends, neither party ever thinks of making further enquiries upon the subject, but transacts the business with the Banks as a matter of course. They are, therefore, at once the great depositories of the money capital of the country,* and the source from whence the supplies of it are drawn."

The money lodged with the Scotch Banks is all payable on demand, or at a short notice. But a Bank, it must be observed, could not borrow to any extent on such terms, unless it had the power of lending on nearly similar conditions. It is only the medium between the borrower and the lender, and it must be able to lend or employ the money upon the same terms as it borrows it. If it stipulates to pay the money it borrows whenever called upon, it must be able to recal its loans with nearly equal facility.

This the Scotch Banks can do. There is a demand for money regularly occurring, every week throughout the year upon Bills at short dates, which the Banks discount. These Bills are likewise weekly falling due, so that as they lend money out on one hand, it comes in on the other. But when called upon unexpectedly, to repay money deposited with them they do not lend out the same weekly amount upon Bills as usual. They curtail their loans in proportion as their deposits are withdrawn. They consequently suffer no inconvenience themselves, whatever their borrowing customers may do, from the money being taken out of their hands.

They likewise employ part of the money deposited with them in purchasing Government securities, which they can always turn into money at a moments notice. By these means they are enabled to make interest of money from week to week, and sometimes even from day to day. So that they can take money, and calculate upon making interest of it for the shortest periods.

But our Banks cannot lend and therefore cannot borrow on these principles. We have not a regular succession of Bills founded upon commercial and manufacturing transactions occurring throughout the

* There are thirty-two Banking Companies in Scotland; and it is computed by the Bankers themselves, that the money deposited with them, by the Public, is considerably above 20 millions.—Note to 5th Edition.

year, nor any Government securities. Besides, money so lent would, as before mentioned, be of no great use in these Colonies, where the great demand for it is by those who cultivate the soil. The usual system of business adopted by Banks, therefore, is not at all suited to our wants. These they could only supply by having money to lend, which they are not obliged to repay except at their own convenience, and which they could in consequence lend upon land for any length of time that was agreeable to their own interest and that of their customers.

The only money which our Banks at present have the power of lending in this manner is derived from their Capital and the circulation of their notes. The former they of course, have not to repay at any time, and may lend as it suits them, and there is a certain amount of the latter, which, though they are obliged to pay them on demand will always remain in circulation so long as a bank enjoys the credit which our Banks possess and has the circulation in its own hands without competition. This amount they may likewise lend as they think proper, for they will never be called upon to repay it. These resources united however, are so trifling, compared with the demand there is for Capital on the security of land, that they are hardly worthy consideration as a means of benefitting the Country, were the Banks disposed to employ their money in that way. But this is far from being the case. In order to induce Banks to advance money on land, it must be their interest to do so, and the very reverse of this is the case at present.

The legal rate of interest is six per cent, beyond which the Bank could not make any charge. But six per cent is not a sufficient compensation for the trouble incident to a mortgage and the risk, or rather the certainty in two cases out of three, of not getting the interest regularly paid, together with the expense of foreclosure should it prove necessary, with all the other cross incidents to which mortgages are subject. It is not, therefore in the way of mortgage at the legal rate of interest that in the present state of the Colonies money can be lent by a Bank.

Loans on mortgage are only suited to rich Countries, when land yields a regular and established rent independent of the industry of its owner. To make it the interest of a Bank to lend money in small

sums upon such security with us, not only must the rate of interest be higher, but the nature of the security must be rendered more simple and less troublesome than mortgages are in general.

On the other hand the proprietor of good Land in a good situation would willingly pay more than six per cent for Capital, rather than not have it. Two or three pounds additional per annum is nothing compared to the advantage of obtaining Capital sufficient to give effect to his industry and value to his land.

Now, leaving the law of usury as it stands, the only mode of advancing money at a higher rate of interest than six per cent is for the party borrowing it to transfer his property to the lender and take a perpetual lease of it at the interest agreed upon.

In the Colonies, where the regular payment of the interest could not be depended upon, nothing but a summary power of ejectment equal to that which a landlord possesses, would be sufficient for the mortgage even if the usury laws were done away. The party advancing the money should be put neither to expence nor trouble in transferring the lease to a person willing to perform the obligations of it, should the party who has obtained the money fail to do so. This is the only principle on which money could be advanced with us at all on land in small sums.

It is therefore the only means under the law, as it now stands, to be devised, by which there is any chance of a person obtaining money on the security of Land, however well he might be enabled to employ it, and however able and willing he might be to give such a rate of interest as would induce parties to let him have the money he wants. In new Countries, where Capital is in great request, and the security not of that kind which exists in Countries more advanced in wealth and population, usury laws evidently retard the prosperity of the Country, by preventing the influx of Capital into it. People can better afford to give a large interest for a small sum than for a large one, and can better afford to give ten per cent in America than five per cent in England. Whereas a person who lends a Hundred Pounds in the Woods of America must evidently have a much larger interest to induce him to do so, than if he were lending ten Thousand Pounds upon estates of ample value in England. The interest paid him must not

merely compensate him for the use of his money, but also for the additional risk and trouble of the transaction. This the usury laws do not allow a person to pay. They therefore deprive him of the means of obtaining money, though he might be very well able to afford, and most anxious to give, a sufficient interest to induce parties to lend him it. The mode suggested, however, avoids this injurious law and leaves the borrower and the lender to deal upon such terms as may be found mutually agreeable to their respective interests.

Nor is it of any importance to the general prosperity of the Country whether a person gets Capital at less than its real value to him or not provided he does get it. Capital judiciously employed is as productive at one rate of interest as at another. If it even were idly spent and squander'd away, the Country would not be the worse for it. The spending of the money would benefit some while the party who advanced it, if he did not get his interest regularly paid would eject the spendthrift to whom he had advanced the money, and get some more industrious individuals to take his place. The property would be improved by the change of hands, and the idle proprietor in a Country where there is plenty of employment would be compelled by necessity to work for wages. This would be beneficial to the community, and where wages are good the condition of the individual himself would probably not be rendered worse. The tendency of the system so far would therefore be to transfer property from the hands of the idle and extravagant to those of the industrious and saving.

The above principle is the only one upon which it appears practicable for either Banks or individuals to lend money with any prospect of advantage in the present situation of the Colonies. But our Banks, as we have before observed, could not lend money even on this principle to any extent, because they have it not to lend, and the next question is—how is their power of lending to be increased?

The power of Banks to lend depends, as before stated, upon their power of borrowing, and if they lend for long periods they must be able to borrow for long periods. The proper business of a Bank is to be the medium between the borrower and the lender, and having pointed out the way in which money may with advantage be lent for long pe-

riods, it remains to be suggested how the Banks are to obtain money on the same terms.

The convenience of having a plan of security, where money can be placed in safety, at a fair rate of interest regularly paid either until the parties have accumulated sufficient to make purchase with, or for the purpose of providing for widows, children &c, is very great; and in every Country there are persons desirous to avail themselves of such a place if there be one. To these persons it is not material whether they have the power of calling for their money upon demand or not. If they had a security easily transferable, it would amount to the same thing. But in the Colonies no such securities are to be had. The British funds are the only security in which money can be thus invested and they are out of the reach of persons with only small savings such as are made with us, independent of their yielding a very low rate of interest, and draining the Capital from, instead of bringing it to, the Country. Now it would be a great advantage if our Banks would be to us what the British funds are to Great Britain. The government does not pay off the principal of the debt: it only pays the interest; but, as the right to receive that interest is transferable, when one party, is desirous to part with, there is always another party willing to purchase his right, and no inconvenience results from the money having been irredeemably lent to the Government.

We would therefore suggest that our Banks should borrow on the same principles. If a person, we shall say, had a hundred dollars, or indeed any sum, great or small, to lend, let the Banks take it, and agree to give a fair rate of interest for it, say five per cent, presuming of course that they can lend it with advantage on land, in the manner proposed. Let them not agree to pay the principal sum back again, but let the party have the power of transferring the right to receive the interest to any one he pleases; or let them, if he should prefer it, give him their promissory note, transferable by indorsation from hand to hand, in which they promise to pay the interest to order, but not the principal: That is, provided the sum deposited amount to a Hundred dollars, on such a sum as would prevent the note passing current as money; for the Bank can always circulate without interest, as much money as the country will absorb. Besides which, cash notes must by law be payable on demand.

By a little management on the part of the Bank in not taking all the money offered them on these terms, or in lending money on these bills, paying them off on reasonable notice, when any person was particularly in want of money and could not get it elsewhere, the value of these notes or securities might always be kept up at par and would consequently be in request by all persons who had money to spare.

In this way the Bank would become a kind of Saving Banks. They would have agents in different parts to receive the deposits of the public, money would be saved and placed with them which is now squandered. There is nothing induces people so much to save money as a safe and convenient place of deposit where interest can be had for it. This has been proved by the Saving Banks of England, when millions have been deposited by working men that would otherwise have been spent. The circulation of these notes might be render'd also much more extensive by making the interest on them payable in London at the option of the holder. They would then frequently be sent to England either as a security or as a remittance, and might even become a negotiable security in that Country.

In advancing money on land, on the principle pointed out, the only additional expence the Banks would be put to would be that of having a Surveyor to value the property on which loans were to be made, and looking after the interest in case of its not being regularly paid. This might perhaps frequently occur, but if the money were judiciously advanced the Banks could suffer no loss.

The Bank, however, generally speaking, must be regularly paid. The Land of any defaulter, after a reasonable indulgence, would have to be transferred to other parties. But these, if the property were worth the rent, there would be no difficulty in finding. Trouble would be the only loss, and this would fall upon the Surveyor. He would go round the Country once or twice a year, and in his tour would look at and value the property upon which loans were wanted—determine what was to be done with those who failed to make their regular payments and negotiate with those who wished to take any land that had fallen into the hands of the Bank. A Surveyor would thus be the only additional expence consequent upon this system of loans, which, care being taken not to advance upon any property above its value, might be carried to a great extent without any difficulty.

The additional expense consequent upon this system of borrowing pointed out would also be small. The trouble of receiving the money and paying the interest would be all the trouble involved—a trouble, which any respectable shareholder, in districts remote from the Bank, would undertake probably for nothing, or at any rate for very trifling consideration. The system of business recommended may therefore be tried, should it be approved, without any great pecuniary sacrifice, presuming it not to succeed, which is no trifling recommendation in favour of any proposed improvement.

It may in the way of objection, however, be observed, that the trade of the Colonies is at present conducted nearly altogether by Barter, and money could not be had to pay the proposed rent with. In answer to this, it is only necessary to observe that the Merchants would not give goods for produce, if it were not worth money, and in selling their produce the parties would have to stipulate with the Merchants for as much money as would pay their rent.

Corn, upon which the Cultivator of the soil would have chiefly to rely for this purpose, is received in the British market at a low duty from the Colonies—is always sold for ready money—and will always produce ready money—to those who have it to dispose of; independent of the West India market, which could as well be supplied with flour by New Brunswick and Nova Scotia, as by any other part of America, if its inhabitants were sufficiently industrious to produce it.

Hitherto the Colonies, but New Brunswick in particular have chiefly depended upon the Timber trade for obtaining the British manufactures, the Tea—the Sugar—and other necessaries, as also the money which they required. But they have in the fruitfulness of the soil a much better dependence, and we of course look to its improvement, and to the corn produce, as the source from which the interest or rent is chiefly to be paid.

Corn is quite as good an article of export as Timber, and one upon which greater reliance may be placed, any quantity may be sold, and any quantity, almost may be produced, and it will be the natural and beneficial results of this system that it will immediately stimulate the borrower to produce it. He will be compelled to exert himself to raise from the soil sufficient to pay the rent or interest of the money borrow-

ed upon it. The Bank would not lend him the money, except the Land were in such a state as that he could do so. Were not this the case it would not be worth the money advanced upon it. It must be already cleared, and possess a value independent of the industry of the party borrowing the money, before the Banks could have any thing to do with it. But the rent could not be paid without industry though easily paid with it. Besides this it may be observed that the Banks will by this system make money more plentiful than heretofore, and thereby furnish the means themselves by which the payment of the rents in money will be facilitated.

We have thus pointed out a principle upon which our Banks might deal in Capital, and become the medium, between the borrowers and the lenders for long periods, presuming the lenders to be parties resident in the Colonies themselves. But there is another plan by which the Banks might obtain money upon perhaps easier terms, or at all events to a greater extent, were they to make the necessary arrangements for that purpose, and that is, by borrowing it in England.

In England Capital is superabundant, and the rate of interest low as an instance of it the East India Company are enabled to borrow money upon their bonds at 3 per cent* that is, upon their promissory notes or securities transferable from hand to hand, the interest of which the Company stipulates to pay, but not the principal; the same kind of note, in short, which we have recommended our Banks to issue.

The security of the East India Company is of course greater in the estimation of the British Public than any of our Banks can offer. But there can be little doubt that if the credit our Banks were properly established in England, and the interest paid there, they would be able to raise money upon their notes, or Bonds, at 5 per cent at most, but probably at a much lower rate.

Now, to obtain this credit the British Public must be assured of

* The East India Company did give 4 per cent. but are now enabled to obtain money at 3 per cent. and gave notice some short time ago that they would pay off the Bonds on which they gave 4 per cent (which they had the power of doing), unless the holders of them would take 3 per cent which they generally did.

two things; first that the ultimate security is ample; and next that the interest will be regularly paid.

To render the security ample, the Banks must possess large Capitals—a Capital of 250,000 dollars (£54, 166 13 0) for instance it may easily be conceived, would not be sufficient to establish a credit in London. The Capitals of our Banks, which do not in general, we believe, exceed that amount, consequently would have to be enlarged.

It would not, however, be necessary that this should be done by an advance of cash. If the additional Capital were subscribed in Cash in the first instance, it must be lent out upon mortgage in the next. We have no other way in which a large Capital could be safely employed. The Capital might therefore be enlarged by a subscription in securities at once. Instead of the shareholders paying Cash, they might give security for the amount, the same as if they had paid up the amount and borrowed it again.

A million of dollars (£216, 666 18 4) is probably the least Capital which a Bank should possess in America, in order to obtain credit in London. The larger the Capital, however, the greater would be the confidence of the British Public, and the more favourable, consequently, would be the terms on which money would be obtained. But assuming 1,000,000 dollars to be sufficient, we would suggest that the Banks should raise their Capitals to that amount by calling upon their shareholders to lodge securities, in proportion to the shares they respectively held, to the extent required to make up that sum. As they are in general men of property, they would not it is presumed, have much difficulty in obeying such a call, and, the securities being properly taken, the security offered to the Public would be as complete as if the whole had been advanced in Cash.

But it must also be observed, that as the holders of the Bills, upon which the money was borrowed could not demand payment of them and would be in a worse situation, in that respect, than the other creditors of the Banks, especial provision should be made for their safety over and above the security which the Capital of the Bank afforded, or the Bills would still not possess the credit requisite.

For this purpose, the money thus borrowed ought to be advanced on land exclusively, and the land, be exclusively pledged for the payment of it. This might be done under an act of the Legislature. Every step indeed ought to be taken, to render this class of creditors, more especially the British creditors, perfectly safe. Without this a permanent confidence could never be established, nor any solid good be expected. Having made arrangements, however, which will be effectual in that respect the next step is to convince the British Public of it.

For this purpose, the particulars of these arrangements should be published, as also an annual statement of the affairs of the Banks. It cannot be expected; however, that the British Capitalists would place implicit reliance on these statements, unless they were well acquainted with the parties by whom they were made. It will in consequence be necessary that they should be published by persons of well known character and respectability in London, who have an opportunity of ascertaining their correctness, and who are pledged for the truth of whatever they may publish.

In order to this it will be necessary that each Bank should have a body of shareholders in London, who shall choose a committee out of their number to whom an account of the proceedings of the Bank should be constantly furnished, and who should also cause investigation to be made into the affairs of the Bank upon the spot and take such other means as they might deem proper to obtain a correct view at all times of its situation and management.

It should likewise be the medium through which the Bills in question were issued and the money borrowed, and it ought to have the power to limit the operations of the Bank, and even stop them altogether, should it appear at any time proper for the ultimate security of the British creditors, and shareholders.

The amount of Capital raised in ... we should propose to be one fifth or 250,000 dollars* for each ... raised in America.

That confidence, however, in foreign speculations which prevailed

* £51,196 13 4

† £218, 466 12 4.

in England two or three years ago, has experienced a reaction, and been succeeded by distrust in the opposite extreme, and it would be difficult now to obtain subscribers to any foreign undertaking in which the profit was not reduced to certainty. Hence it would be necessary to guarantee the British Shareholders a certain profit, say 5 per cent, to induce them to take shares.

This, however, might be done without any sacrifice on the part of the existing Banks. We are not aware of the precise amount of Capital which each possesses, and of the dividends which they pay, but let us assume their Capitals to be 250,000 dollars each and their dividends on their Capitals to be 10 per cent. We may also perhaps safely assume that if they pay 10 per cent upon their present Capitals they would be able to pay equal to 7 1-2 per cent upon an equal amount raised in England, even without the additional advantage contemplated from English connexion.

The division of profits upon this supposition would stand thus:

The profits upon the present capital of 250,000 dollars) at 10 per cent.	} \$25,000
The profits upon the capital raised in England 250,000) dollars, at 7 1-2 per cent.	} 18,750
<hr style="width: 20%; margin-left: auto; margin-right: 0;"/>	
Total profit Dollars \$43,750	

This would be the profit made upon the capital advanced in Cash. The total capital, however, over which this profit would have to be divided, would be 1,250,000 dollars; but as the English Shareholders of one fifth of the stock, would be in as great an advance of cash as the American holders of the other four fifths, interest must be allowed upon the Cash first, and the profits divided afterwards.

We shall therefore deduct five per cent upon the capital) of 500,000 dollars in cash	} 25,000
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Which will leave \$18,750

of actual profit.

One half of the interest would of course go to the American, and the other half to the English Shareholders. But four fifths of the

† £51,166 13 4.

actual profit would go to the English Shareholder

Their respective dividends would consequently stand thus.

AMERICAN SHAREHOLDERS.

Interest	Dollars 12,500
4-5th of the actual profit	„ 15,000
	<hr/>
	Dollars, 27,000

Being 2,500 dollars or one per cent. more than they received before.

BRITISH SHAREHOLDERS.

Interest guaranteed	Dollars 12,500
1-5th of the actual profit	3,750
	<hr/>
	Dollars 16,250

Being 5 1-2 per cent upon the Cash advanced.

If the actual Capital raised in England be equal to the actual Capital raised in America, while the nominal Capital or Capitals raised by securities in America, give the American Shareholders the command of four fifths, of the actual profits, the American Shareholders can hardly fail to gain by the arrangement, so long as the profits exceed five per cent, for, while the British Capitalist contributes one half to the surplus profit, he only gets one fifth of it; and that the profits must always exceed five per cent, under the worst of circumstances there can be little doubt.

Banking in the Colonies cannot be a business of risk as in England. The transactions are all small and the parties well known. There is no opportunity of deceiving the Bank to any extent. If accommodation bills be offered for discount they are known to be such. The Banks cannot be blinded by a system of business which has the appearance of being real but is not so. The acuteness which is necessary to a Banker in England is hardly wanted with us, and Banking is proportionately safe. This is the case with even the most hazardous description of Bank business, namely the lending money upon Bills. But Bank business with us cannot be done to any great extent, except in the way of permanent loans, or advances on real security, and if the plan pointed out were adopted the Capital of the London Shareholders would be advanced upon Land, and the profit from

it would be made without any risk whatever, so that the 5 per cent might be guaranteed without the remotest chance of the American Shareholder incurring the least additional risk by it, while the certainty of five per cent, with the prospect of considerably more as the business of the Banks extended and would, there is little doubt, be a sufficient inducement to the British Capitalist to take shares in them, provided the arrangements were properly made, and he clearly saw he was safe in doing so.

Upon this, indeed, the whole depends. All the American arrangements should be made first, and business on the principles recommended be commenced, and successfully conducted in the Colonies, before any attempt was made to obtain the London Shareholders. They ought to see that a way was made for the employment of their Capital before it was called for, and that they were united to join a connected successful operation. The money likewise borrowed in London should be borrowed very gradually. Confidence is a plant of slow growth, and requires to be reared with delicacy and caution. But if the Banks flourished, a statement of their affairs were annually published and the interest regularly paid, there can be no doubt that in time they might obtain upon reasonable terms whatever money they could profitably employ.

Should however the Banks, be disposed to try the system recommended, they ought not to be deterred, by any fear of being thought extortionate from obtaining, in the first instance, the best interest they could in America. In the present state of property, nothing but a good interest or rent would pay for the trouble incurred. Independent of which, upon the success of the attempt, in the first instance, depends our obtaining larger supplies on more moderate terms hereafter. When the attempt has succeeded, the road for the influx of Capital may be said to have been opened, and the supplies will be obtained and may be granted on better terms. We anticipated that if the system be carried into successful operation, money will in time be borrowed in London at four per cent, and lent in the Colonies at five, the extent of business compensating for the low rate of profit. But it would be no kindness to the Country to commence by lending money at such a rate of interest as would not yield a sufficient profit to induce perseverance in the attempt. There is no fear of the parties who want it

giving for it more than it is worth to them, and the more profitable the business is in the commencement, the greater the inducement to perseverance, and the better for the Country in the end.

As we have before observed, the system of lending money on Land, might be carried to a very great extent without putting the Banks to any great additional expence. When once the advance was made, if the party regularly paid his rent, no farther trouble would be involved, and if he did not, it would only be necessary to dispossess him, and dispose of the lease to another party. In doing this, however, it may be worthy of remark that the London connexion of the Bank would be a great advantage, and might be the means of introducing a very respectable class of settlers into the Colonies. The Bank would only advance upon land in some degree cleared and fit for the occupation of those, who by means of their Capital, their knowledge and their industry, could turn it to good account.

Of this class there are hundreds and thousands in England, who would be glad to avail themselves of so respectable a channel, to obtain at a fair value a suitable place to emigrate to, already fitted for their reception; and the bank would be able in this way at once to tenant any property that might fall into its hands. The security of the Bank would however always depend upon their not advancing more money upon any property than the Land was worth.

The profits derived by the Bank from these loans would not be confined merely to the difference between the interest given and the interest got. The circulation of the Banks would be proportionately extended, and their other channels of business enlarged. Besides which, if a Bank had lent, we shall say, a Hundred Pounds, and received seven or eight pounds a year of rent for it, this rent would in the course of time come to be worth more than a Hundred pounds. As money became more plentiful, and could be had on better terms, it might be worth £110 or £120, which the Bank would charge, if the party wished to discharge the incumbrance.

Things however find their level, and this prospect of ultimate advantage would have the effect of lowering the rate of interest bargained for in the first instance, and it would probably suit the party better to pay a bonus when he was rich, than a proportionately higher rent or interest when he was poor.

The advantage to the Colonies from this influx of Capital need not be insisted upon. The value of property generally would be increased, and trade would be extended. A person with sufficient Capital to cultivate a piece of Land, but who could not purchase it also, would be able to do so with the assistance of the Bank without diverting much of his Capital to that purpose. Any person therefore with the means of cultivating land would have the power to buy it. This would increase the demand for and consequently its value.

Men with Capital and industry live better than men who have neither. Their consumption of manufactures—of Colonial and other produce—is increased, as is also the consumption of those they employ. This would increase the import trade. On the other hand, the produce they raised from the soil, would require exporting, after supplying the home market, and this would extend the export trade. It is difficult to give an adequate conception of the beneficial effects which are always found to attend upon the judicious application of Capital, in giving effect to the industry, and improving the wealth and commerce of a Country. The effect must be seen in order to be understood. But all experience points out, and all intelligent persons agree in considering the introduction of Capital as the most effectual means, not only of promoting the prosperity of a Country, but of improving the condition of the people.

In the foregoing observations we have recommended the existing Banking Establishments to adopt the principles of business pointed out, and to new model themselves accordingly. But old Establishments that are doing well, are in general desirous to let well alone, and are slow to adopt what may appear speculative improvements for the public good, at what they may conceive to be the hazard of their own.

Should they not adopt, therefore the plans recommended, but at the same time should the proprietors of land, and those who take an interest in the general prosperity of the Colonies, be convinced that Banks on the principal pointed out would be highly beneficial, it will be for them to consider, whether it would not be worth their while to form Banks of their own, the Legislature of course giving every facility for that purpose.

To establish these Banks would require very little paid up Capital. If, we shall say, upon a Capital of 1,000,000 Dollars 100,000 or even 50,000, were paid up, it might be sufficient, the object of course being to raise Capital by the deposits of the public, and by connexion with England, and not by the subscription in Cash of the shareholders in America.

The Capital might also be subscribed in small shares, say of 100 Dollars each. The Cash to be paid up on such a share would only be five or ten Dollars, and there is hardly any land that keeps a family which is not worth a hundred: So that every man who has any land at all, and five or ten Dollars in Cash, could if he chose take a Bank share. By this means, the shareholders would be distributed all over the Country.

Now the circulation of notes is one of the principal sources of profit with Banks in the Colonies at present, and the proposed Banks having Stock-holders in every place, who would naturally be desirous of promoting their interest, in opposition to the Banks they had no share in, the proposed Banks would be able to get hold of this source of profit, and keep it in a great measure to themselves; every shareholder, the moment he obtained a note of any other Bank, would exchange it for a note of his own, with some agent, or principal Shareholder, in his neighbourhood, who would be furnished by the Bank with a supply of notes to make the exchange with, and thus these Banks would be enabled to keep the circulation in a great measure in their own hands.

This would at once pay the expence of the Establishments and secure their success at the outset; and having consolidated themselves in America, they might next proceed to make arrangements in London on the principles pointed out, or upon any other principles which might be found desirable to all parties.

ERRATA.

Page 1. 25th line, for "field of employing" read field for employing. Page 15. 1st line 2nd paragraph, for "a plan of" read place of. Page 15 2nd paragraph 6th line, for "when millions" read where millions. 22nd page. 1st line, for "English Shareholders" read American Shareholders.
Note.—Dollars are calculated at 4s. 4d.

CONCLUSION DES OBSERVATIONS
D'ANTI-BANQUE,
Sur les Banques du Canada.

[*Pour les articles qui ont précédé, voir les numéros suivans de la Gazette de Québec, 4 et 29 Novembre, 13, 20 et 30 Décembre 1830, et 27 Janvier, 1831.*]

POUR se former une idée des principes injustes qui dirigent nos banques, il suffit d'observer qu'elles ne payent point d'intérêts aux personnes qui déposent des sommes d'argent dans leur voutes, si ce n'est en quelques cas assez rares. Cependant il est constant que ceux qui placent leur argent dans la Banque d'Angleterre, en prennent des billets, dont les intérêts leur sont payés, jusqu'au jour du remboursement. La même pratique s'observe en plusieurs autres Banques. En France les inscriptions sur le grand livre ou les rentes dues par l'état, qui ne sont dans le fond que des placements d'argent dont le Gouvernement est garant, portent intérêt en faveur des créanciers. Mais la faction qui nous poursuit incessamment depuis la conquête jusqu'à ce jour, avec la plus parfaite détermination de parvenir par tous les moyens possibles à l'entière destruction de nos droits et privilèges, et à la complète expropriation des Canadiens de leur sol natal, par mille moyens insidieux, nous sollicite d'accepter tout ce qu'il y a de pernicieux dans les institutions de l'ancien continent, mais écarte avec le soin le plus perfide tout ce qui pourrait favoriser un

pays naissant comme le nôtre. Que de projets, que d'espérances ne fonde pas cette faction sur notre inexpérience, et sur notre bonne foi. Il faut compter bien fort sur son indépendance pour oser lui résister, presque toujours on devient la victime de ses perfidies. Cette faction a l'art même de susciter contre nous nos propres compatriotes ; en un mot elle sait nous diviser.

Revenons aux banques. L'Encyclopédie de D'Alembert et Diderot, au mot *banque*, dit que " les compagnies et les banques achèvent d'avilir l'or et l'argent dans leur qualité de signe, en multipliant par de nouvelles fictions les représentations des denrées." Dans mes communications précédentes j'ai fait voir les conséquences désastreuses qui en résultaient aux produits de notre industrie lors qu'ils se présentaient dans des marchés étrangers en concurrence avec d'autres pays ou les prix de la main d'œuvre et des denrées sont à meilleur marché qu'ici ; sans compter la longueur des voyages et le plus haut prix du fret. L'existence seule du papier-monnaie, cause l'exportation du numéraire métallique qui ne pouvant plus être offert que sur le même pied que le papier-monnaie, court chez l'étranger trouver des acquéreurs qui puissent le prendre pour ce qu'il vaut. " Depuis long temps, dit Say, les métaux précieux, c'est à dire l'or et l'argent, sont la monnaie la plus généralement adoptée." Adam Smith est de la même opinion. Je citerai un passage de ce célèbre fondateur de l'économie politique.—Je donne la traduction de Say. " Le commerce et l'industrie d'une nation, ainsi suspendus sur les ailes icariennes des billets de banque, ne cheminent pas d'une manière si assurée que sur le solide terrain de l'or et de l'argent. Outre les accidens auxquels les exposent l'imprudence et la maladresse des directeurs d'une banque, il en est d'autres que toute l'habileté humaine ne saurait prévoir ni prévenir. Une guerre malheureuse, par exemple, qui ferait passer entre les mains de l'ennemi le gage qui soutient le crédit des billets, occasionnerait une bien plus grande confusion que si la circulation du pays était fondée sur l'or et l'argent. L'instrument des échanges perdant alors toute sa valeur, les échanges ne pourraient plus être que des trocs difficiles. Tous les impôts ayant été acquittés en billets, le prince ne trouverait plus rien dans ses coffres pour payer ses troupes ni pour remplir ses magasins. Un prince jaloux de défendre en tout temps, avec avantage, son territoire et sa puissance doit donc se tenir en garde contre cette multiplication démesurée de billets de confiance, qui devient ruineuse pour les banques et funeste aux pays, mais même contre une multiplication modérée en apparence, qui tendrait seulement à remplacer une trop grande partie de l'agent naturel des échanges dans ses états "

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Dans ma communication insérée dans la gazette de Québec du 13 décembre dernier, j'ai observé que le numéraire augmente en valeur à mesure qu'il décline en quantité, et qu'il décline en valeur à mesure qu'il augmente en quantité. De ce principe j'ai tiré la conséquence que plus il y avait de numéraire en circulation et plus la main d'œuvre et les denrées étaient chères, ce qui confirme le passage de l'Encyclopédie cité ci-dessus, et ce qui explique le désavantage que nous éprouvons lorsque nous offrons les produits de notre industrie dans des marchés étrangers, quand des nations chez lesquelles les produits de l'industrie sont à meilleur marché que chez nous, viennent en concurrence avec nous. D'après ces observations la question de savoir combien il nous faut de numéraire se présente d'elle-même. D'un côté il faut une certaine quantité de numéraire pour consommer tous les échanges, de l'autre côté une surabondance de numéraire déconcerte toutes nos spéculations sur l'exportation des produits de notre industrie. Cette question n'est pas sans de grandes difficultés, c'est pourquoi je réclame toute l'attention du lecteur avec d'autant plus d'instance qu'il s'agit de la fortune du pays, qu'il s'agit de savoir si nous allons le livrer au monopole et à l'agiotage des banques. Say traite cette question en divers endroits. " Nul auteur de poids, dit ce savant, n'a évalué le numéraire nécessaire à la circulation à plus d'un cinquième des produits annuels ordinaires d'une nation, et suivant les calculs de quelques-uns, il ne va pas à un trentième ; c'est donc l'estimer au plus haut que de le porter au cinquième des produits annuels, et quant à moi, je crois cette évaluation fort au-dessus de la vérité, admettons la pourtant. Alors un pays qui aurait pour 20 millions de produits annuels n'aurait que 4 millions de numéraire. En supposant donc que la moitié de ce numéraire, ou 2 millions, pussent être remplacés par des billets de confiance, et employés en accroissement du capital national, ils n'accroîtraient, une fois pour toutes, ce capital que d'une valeur égale à deux vingtièmes, ou au dixième des produits d'une année.

Les produits annuels seraient peut-être à leur tour évalués bien haut, si on les portait au dixième de la valeur du capital productif national ; je les estime ainsi dans la supposition que les capitaux productifs rapportent, l'un dans l'autre, cinq pour cent, et l'industrie qu'ils tiennent en activité, autant. Si les billets de confiance ont fourni un secours égal au dixième du produit annuel, ils n'ont donc accru le capital national productif que d'un centième, en évaluant ce secours au plus haut . . . Ce n'est jamais qu'une petite partie de ses revenus qu'une nation qui prospère, parvient à soustraire à sa consommation improductive, pour l'ajouter à ses capitaux productifs. Les nations stationnaires, comme on sait, n'a-

joutent rien à leurs capitaux ; et celles qui déclinent en consommation tous les ans une partie.

Dans un autre endroit, dit Say, "quelle que soit l'abondance ou rareté du numéraire, comme on a besoin d'une certaine somme pour consommer tous les échanges, le numéraire augmente en valeur à mesure qu'il décline en quantité et décline en valeur à mesure qu'il augmente en quantité. S'il y a pour trois milliards de numéraire en France, et qu'un événement réduise cette quantité de francs à 1500 millions ces 1500 millions vaudront autant que les trois milliards pouvaient valoir." Dans un autre endroit Say dit "un capital dans le sens le plus étendu se compose de tous les capitaux des particuliers ; et plus la nation est industrielle et prospère, et plus son capital en argent est peu de chose, comparé avec la totalité de ses capitaux."—Dans un autre endroit votre savant dit "qu'il nous suffise que le numéraire demeurant en circulation, est borné par les besoins de la circulation du pays. Dans cet état de chose, si l'on trouve le moyen de remplacer la moitié du numéraire ou de la marchandise monnaie par des billets, il est évident que dès cet instant, il y a surabondance de monnaie : cette surabondance fait baisser sa valeur ; mais comme il n'y a point de raisons pour que sa valeur baisse dans d'autres lieux où l'on n'a point créé de billets de confiance, et où par conséquent il n'y a point de surabondance, la marchandise monnaie se répand dans ces lieux-là, où elle a conservé plus de valeur, et où par conséquent, elle trouve à s'échanger contre une plus grande quantité de marchandises ; en d'autres termes, la monnaie s'écoule là où les marchandises sont à meilleur marché, et il revient une valeur en marchandises égale à celle qui est sortie en espèces." Say évalue la totalité des capitaux de l'Angleterre à deux milliards trois cent millions de livres sterling, et la valeur totale des espèces qui circulaient en Angleterre avant le papier-monnaie, suivant ceux qui l'ont porté le plus haut, n'excédait pas 47 millions sterling, c'est-à-dire la 50^{me} partie de son capital environ. Smith ne l'évaluait qu'à dix-huit millions sterling : ce ne serait pas la 127^{me} partie de son capital. Colquhoun, dans l'état statistique qu'il donne des deux provinces du Canada en 1815, évalue les capitaux, toutes les terres et les édifices publics compris, à 23 millions quatre cent mille livres sterling, et le numéraire en circulation à 300,000^{l.} : ce qui fait la 81^{me} partie de tout son capital. Cela annoncerait un degré d'industrie assez considérable pour un nouveau pays, mais très inférieur à celui de l'Angleterre.

Je vais maintenant tâcher d'apprécier et ce qu'il y a d'incertain et ce qu'il y a de certain dans les autorités que je viens de citer au

en consommation.

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sujet du numéraire nécessaire à la circulation. Say dit que des auteurs prétendent qu'il s'éleve au cinquième des produits ordinaires d'une nation, tandis que d'autres prétendent qu'il ne va pas à un trentième, ce qui fait une différence de six à un. Il croit cependant que de porter cette évaluation du numéraire en circulation au cinquième des produits annuels est fort au dessus de la vérité, peut-être que de porter cette évaluation au trentième des produits annuels est fort au dessous de la vérité. Mais quand il affirme ce dont tout le monde convient, que plus une nation est industrielle et prospère et plus son capital en argent comparé avec la totalité de ses capitaux, est peu de chose, il me semble que pour la solution de cette grande question, quelle est la quantité du numéraire nécessaire à la circulation dans chaque pays et surtout dans celui-ci, il nous faudrait des tableaux de statistique qui nous présenteraient un état précis des capitaux et des genres d'industrie des principaux peuples commerçans. Et ces tableaux seraient obscurcis par les divers accidens de la nature et de la politique intérieure et extérieure qui trompent si souvent les espérances les mieux fondées. Je mets ce calcul au rang des choses incertaines et ne puis en faire usage pour déterminer la quantité précise du numéraire qui doit circuler. Je regarde comme certain que plus une nation est industrielle et prospère et plus son capital en argent est peu de chose, d'où je conclus qu'il ne faut pas procurer à un nouveau pays, comme le nôtre, un numéraire fictif, comme des billets, mais qu'il faut faire tous les efforts possibles pour augmenter les produits de son industrie. Je regarde comme évident que le numéraire en circulation est borné par les besoins du pays, que si on remplace la moitié par des billets, il y a dès cet instant surabondance et que la marchandise-monnaie se répand dans les lieux où elle a conservé plus de valeur, c'est à dire où elle s'échange contre une plus grande quantité de marchandises. L'état Statistique de Colquhoun qui évalue tous les capitaux des deux Provinces du Canada à 23,413,360 livres sterling, les produits annuels des deux provinces à 7,302,827 livres sterling, les exportations des deux provinces à 1,302,827 livres sterling, et les importations à 1,180,000 livres sterling, ce qui laisse en faveur du commerce des deux provinces une balance de 122,827 livres sterling et qui établit le numéraire en circulation dans les deux provinces vers 1815 à 300,000 livres sterling, est peut-être ce que nous avons de mieux en ce genre. Cependant je n'en garantis pas l'exactitude, et je ne le prends que par approximation, ou comme approchant de la vérité. Je suis fâché de le dire, mais il me semble que depuis 1815 le Haut-Canada a fait beaucoup plus de progrès vers sa prospérité, que notre Bas-Canada. Le besoin d'un numéraire circulant d'un cinquième au trentième du produit

annuel d'un pays me semble toujours un labyrinthe inextricable, qui d'après les observations faites plus haut, ne pourrait nous conduire à aucun résultat utile. Je me contenterai donc de faire quelques observations tirées de cet état statistique de Colquhoun, quant à la quantité du numéraire qui doit circuler en cette Province. Je crois que je ne fais que rendre hommage à la vérité en disant que c'est beaucoup dire en faveur de notre province que ses capitaux égalent le double de ceux du Haut-Canada, sur cette donnée je donnerai donc pour bases aux observations que je vais faire, que vers 1815 le numéraire en circulation dans le Bas-Canada était 200,000 livres sterling, quelque calcul que l'on veuille faire sur les données de Colquhoun, relativement à notre province, il doit subir le retranchement d'un tiers. Si vers 1815 le numéraire circulant n'était que 200,000 livres sterling que dirions-nous de l'augmentation que nos banques ont ajouté à cette circulation ? Avant de me prononcer sur ce sujet je dois montrer au lecteur quelle est et quelle sera cette augmentation. — D'après ce que j'ai dit, d'après Colquhoun, le numéraire circulant dans notre province était environ 200,000 livres sterling, et le pays prospérait beaucoup plus qu'à présent.

D'après le tableau des banques de ce pays donnée dans la chambre d'assemblée en 1827 les capitaux versés dans les banques de Québec, de Montréal, et du Canada, s'élevaient à £ 231,500, ce qui offrirait en capital un fictif ou de billets sans valeur intrinsèque un numéraire fictif de £ 394,500, si vous ajoutez à ce numéraire circulant ces additions que nous demande la banque de Québec, une nouvelle banque à Montréal et une autre dans les Townships, sans compter le double de la circulation des dépôts dans ces banques, vous formera un Capital de plus d'un million de numéraire fictif en circulation, qui menacer toutes nos banques du danger imminent de banqueroutes, et qui paralyser toutes nos exportations en Angleterre en les rendant absolument ruineuses pour nos commerçans. D'après les autorités citées plus haut, et que je prie le lecteur de relire avec attention, n'y-a-t'il pas évidemment une très grande surabondance de numéraire, au détriment de l'exportation des produits de notre industrie.

En dépit de mes détracteurs contre lesquels je ne conserve aucune rancune, la force naturelle des choses me procure un grand triomphe, triomphe que je signale non pour la gloire de ma personne que je cache sous un nom emprunté, mais que je signale uniquement dans l'intention de servir mon pays. J'ai prédit que le retranchement de quatre sous par schelling produirait l'exportation de cette petite et très utile pièce de monnaie hors de ce pays. L'accomplissement de ma prédiction se trouve dans le *Vindicator*

du 21 Janvier, 1831 "*scarcity of Spanish pistareens.*" La disparition des schellings, cette grande portion de notre numéraire deviendra bien rare d'après les spéculations de quelque messieurs des Etats Unis qui les achètent autant qu'il en peuvent trouver pour les transporter dans les îles Espagnoles et particulièrement à Malaga ; où ces pièces sont à cinquante par cent d'une plus grande valeur que dans le Bas Canada. Un individu, dit-on en a exporté d'ici jusqu'au montant de £1000. Nous espérons que la législature s'empressera de remédier au plutôt à ce mal, nous sommes, informés, dit cet estimable éditeur, qu'ils se procurent ces pièces d'argent en payant une prime de cinq par cent : quant au profit de 50 par cent, il est permis d'avoir ses doutes. A quelle étrange absurdité ne conduit pas le système de banque adopté en ce pays. D'abord on permet à nos banquiers d'acaparer tous les profits de tous les genres de commerce est et l'engouement de nos marchand si déplorable qu'ils ne voyent pas qu'ils ne font que glaner après que les banques ont fait le choix des spéculations les plus lucratives, et cela sans responsabilité pour leurs billets en circulation, en sorte qu'avec des valeurs fictives et périssables, ils recueillent la réalité des branches les plus lucratives du commerce.

Une autre absurdité c'est que tant de personnes [excepté dans les campagnes] ne font aucune différence entre ces papiers et l'or et l'argent. Ce n'est pas par un pur caprice que dans tous les siècles on a attaché une si grande valeur à ces métaux précieux. Long temps avant l'usage des monnaies, on les travaillait avec le plus grand soin pour en faire l'ornement des temples, des palais et des personnes des souverains et des plus riches individus. Que l'on juge de l'éclat que produisait aux yeux du vulgaire de ces temps reculés par l'impression qu'ils produisent encore de nos jours. Lors que dans des siècles moins reculés on inventa enfin le numéraire métallique pour faciliter les échanges en quoi consiste tout le commerce, les métaux précieux qui captivaient depuis tant de siècles les affections du genre humain, furent heureusement employés à être la matière de monnaies, à raison de leur aptitude à se prêter aux poids et aux formes. Pour inspirer plus de confiance, le droit d'en déterminer le poids, la forme et la valeur, fut réservé aux souverains, et c'est encore en Angleterre que ce droit forme une des prérogatives du Roi. Par quel étrange bouleversement de toutes les idées depuis long temps établies à juste titre, allons-nous permettre à quelques individus sans responsabilité, de battre, qu'on permette l'expression, une monnaie de papier, au préjudice de la prérogative royale ; papier qui chasse évidemment le numéraire métallique, tout cela en faveur de banquiers non responsables, pourvu qu'ils se ren-

ferment dans certaines formes infiniment trop étendues ? comme si avec quelques rames de papier on pouvait aseoir sur une base solide la richesse des nations. C'est certainement préparer à plaisir la ruine des familles et par conséquent du pays, car comme je l'ai observé à plusieurs reprises dans mes communications dans la Gazette de Québec, tous les papiers-monnaies ou billets de confiance jusqu'à présent ont fait banqueroute. N'est-ce pas préparer à ce pays un avenir désastreux, un nouvel état de barbarie ?

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