provinces preventing the export of pulpwood from those limits, because the United States is interested in using pulpwood and the export of pulpwood to the United States tends to give value to the owners of limits. I know that a large number of factories and a great amount of capital from both the United States and England were imported into this country for the purpose of building up the pulpwood industry, and I am sure it would tend to foster that industry very much if the prohibition provided by this Bill were put into effect. It is only proper, after capital has been induced to build up factories in this country, that our forests should not be depleted to the advantage of rival companies in the United States.

On the other hand, I appreciate the argument which has been advanced by the honourable gentleman from North Bay (Hon. Mr. Gordon), that the interests of the settlers must be considered. If restriction of that kind were imposed it would tend to reduce the price of pulpwood. In putting into effect such a regulation the Government should see that it is done in such a way that it will not bear too heavily upon private owners of forest lands.

The motion was agreed to, and the Bill was read the second time.

THIRD READING

On motion of Hon. Mr. Dandurand, the Bill was read the third time and passed.

FINANCE BILL

SECOND READING

Hon. Mr. DANDURAND moved the second reading of Bill 245, an Act to supplement the Finance Act, 1914.

He said: The object of this Bill is to renew what is called the Finance Act of 1914, under which the Government is authorized to make advances to banks as against certain securities. The Act was adopted as a war measure, and no doubt was exceedingly useful in the financial operations during the war. It may be said that the war being over we no longer have any need for the Act, but experience has shown that the Act is still required. On the day we would abandon it we would very likely need to enact some other legislation on the same line, and such interests as the present Act covers and protects would need a permanent Act such as this in our financial system. The Americans have the Reserve Bank Act.

Under the Act as it stands to-day, the Act as passed some years ago, the Government are authorized to advance to the various chartered banks, and to the banks mentioned in the Act, sums of money as against certain securities not specified but left to the judgment of the Treasury Board. Any securities of which the treasury board may approve can be accepted for the purpose, and the Government can make advances against them. The Bill simply renews the Act but is a little more specific: Instead of leaving the whole matter to the Treasury Board the Bill will indicate the classes of securities upon which advances should be made. The securities of the higher class beyond all question are acceptable. Then we come to the class of securities as to which there may be more room to question. We do not need any particular advice or consultation respecting the standing of the higher class of securities—the high class Imperial Government securities the Dominion Provincial and municipal securities; but there is also a class included in the general expression of what I may call commercial securities.

When the Act was passed it was probably not contemplated that those commercial securities would be used. The Act was designed to serve another purpose. But there is no machinery in the Finance Department for making inquiries into the character of securities of that class. We do not need any machinery to know the value of certain high class securities. We can all easily ascertain the value of these; but when we come to what are called commercial securities, commercial paper and securities like that, machinery for determining their value does not exist. The Minister of Finance says that although it is a mere matter of opinion, originally it was not intended that these securites should be used in a large way. However, they are to-day a part of our financial system and there is a growing feeling, perhaps, that there should be some method of rediscounting such as this Act provides for. Having in view that class of securities we might be seeking the advice of somebody who is competent to advise. The Department of Finance has no section that would determine that value, and in this Bill it is proposed that the gentlemen who are trustees of what is called the Central Gold Reserve Institution, which was pretty largely discussed in the Banking and Commerce Committee, shall be deemed an advisory committee, and that we shall have the right to ask their advice. They are not to control the matter, but the Department may at any time seeks their advice as to the character of the securities that are offered.

Another portion of the Bill relates to the proclamations by which the export of gold is