

Hon. Sir MACKENZIE BOWELL—I will tell you where I have seen British gold coin refused : I saw an English sovereign refused in Honolulu, and a Yankee who was present exclaimed : ‘ By Jove, I never saw gold refused before.’

Hon. Mr. MILLS—I have no doubt a very considerable part of the money coined in this country may ultimately disappear in the payment of half-yearly interest upon our obligations, and a part of it may go into circulation in the neighbouring republic. I do not apprehend that there will be any difficulty in that regard. I do not think that it can go into permanent circulation in this country and displace the bank notes. If you were to have a bank failure, you might have a few parties demanding payment in gold, but it would only be for a very short period indeed. I do not apprehend that this branch of the Royal Mint, if established in Canada, is going to seriously interfere with the bank circulation. My impression is, that when the patriotic sentiment is satisfied with the experiment, they will not insist upon a substitution of gold coinage for the present paper currency of the country.

Hon. Mr. FORGET—I am quite in accord with the sentimental part of the project myself. I think it is a good move if we are willing to stand the cost of it. I believe it is going to interfere with the circulation of the Dominion and bank notes in time. It will quietly take the place of small notes, because people prefer very much to have clean gold pieces to having dirty bills, as ours are for the most part, in their pockets. An hon. gentleman near me says that the dirtiest bills in circulation are the Dominion notes. That is the only circulation, I believe, you are going to have. It will be a progressive circulation with the public, not with the banks, unless you prohibit the circulation of United States gold coin in Canada. Unless you do that, the banks will take United States gold in preference to Canadian gold. Why? Because, while our own people might use it, Canadian gold will not serve the object of a business man who trades in the United States, or even in the United Kingdom. If I have to remit to New York to-morrow a million dollars, as I have had to do more than once, it must be in gold, and this gold must be available the moment it

reaches Wall street. If our Canadian banks are obliged to have Canadian gold, I will not be able to get any other gold. When I send it to New York in payment of my debt, I will have to send it as bullion, that is to say, New York will receive the gold, because gold is gold all over the world, but being stamped as Canadian gold, it will not be taken there except as bullion, to be assayed, and the value will be put upon it. It takes two or three days to do that, and I will be allowed whatever the assay office says it is worth. I will be a loser.

Hon. Mr. MILLS—You will be charged the rate of exchange.

Hon. Mr. FORGET—The rate of exchange will be against Canada, naturally. For that reason, I think our Canadian banks will not take Canadian gold as a reserve, because it will be good only for domestic purposes. They will not be able to pay their debts abroad with it. And then the banks, knowing that they will never have any demand for Canadian gold, naturally will not accept it from the public. They will take United States gold, or sovereigns, in preference, so that the circulation of Canadian gold, you will find, after a few months, will be curtailed. You will have a good circulation the first year, perhaps, and possibly it may go up to ten millions of dollars, but after you have reached a certain figure, it will remain there, and you will not be able to force any more on the public, unless, as I said before, you prohibit United States gold circulating in this country, and to do that you will have to amend the banking law, and injure the trade of the country in general. That is my opinion and the way I look at the question.

Hon. Mr. MILLS—Do I understand the hon. gentleman to contend that if we were to coin here, in a branch of the Royal Mint, sovereigns instead of \$5 pieces, they would then have the same value, if they were of the same weight and fineness, as the English sovereign?

Hon. Mr. FORGET—Yes.

Hon. Mr. MILLS—And they would go in the New York market the same as the English sovereign?

Hon. Mr. FORGET—English sovereigns are not accepted there. If you have to remit to New York you must remit in United