

vision which might be necessary to meet possible contingencies.

Bill reported, read the third time and passed.

#### DOMINION NOTES BILL.

On motion of Hon. W. T. WHITE (Minister of Finance), Bill No. 5, respecting Dominion Notes, was read the second time, and the House went into committee thereon, Mr. Blondin in the chair.

Mr. WHITE: We are repealing the present Dominion Notes Act and substituting this one. I may say that there are three principal changes provided for in this legislation. In the first place, we provide that Dominion notes may be issued, not only against gold coin as in the past, but against bullion in bars of certain fineness. I may state that this is the custom in Great Britain; the Bank of England issues its notes against bars as well as against coin. There is a certain advantage in that, because bars may be shipped to countries requiring them, and there be converted into the currency of those countries. No question arises so far as security is concerned under the change that we propose. The second change is that in the signing of notes the signatures may be engraved thereon, provided that there be added a distinguishing device and a serial number while the notes are in the custody and control of the officers of the Finance Department. At the present time the signature of the deputy minister is engraved upon notes, and a clerk in the Finance Department adds an additional signature.

We propose now to modernize the method by having both signatures engraved, with this safeguard, that after the notes are printed with the engraved signatures a distinguishing device and a serial number shall be engraved on each note and that shall be done while the notes are in the custody and control of the officers of the Department of Finance. It is an additional safeguard to the note issue of the Dominion. I had this legislation prepared last year and intended to introduce it last session.

Mr. A. K. MACLEAN: The notes are now numbered, are they not?

Mr. WHITE: Yes.

Mr. MACLEAN: But without any other device?

Mr. WHITE: Yes.

Mr. MACLEAN: What is this device?

Mr. WHITE: It has not been determined yet. If a note has not the distinguishing

device we shall know it has been issued without the authority of the Department of Finance. It is a check upon the issue of Dominion notes.

The third provision is the most important of all and is that to which I called attention yesterday. We have increased the amount of Dominion notes which may be issued with a 25 per cent margin of gold from \$30,000,000 to \$50,000,000.

Mr. MACLEAN: And this increased note issue, which will amount to about \$15,000,000 when issued, is to go into the consolidated revenue fund?

Mr. WHITE: Yes.

Mr. CARVELL: The minister stated that these notes would not be actually signed as in the past, but that a device would be placed on them. Is that intended to be a secret device known only to the officers of the Department?

Mr. WHITE: It will be stamped on the Bill and in that way it will be public.

Mr. CARVELL: Why could not the forger stamp the device on as well as he could forge the signature?

Mr. WHITE: My hon. friend understands that the Dominion notes are engraved with very great care. The device will be engraved with equal care and in the result it will be exceedingly difficult, if not impossible, to successfully counterfeit either the bill or the device. The legislation is modern. The Bank of England notes are printed.

Sir WILFRID LAURIER: The signatures also?

Mr. WHITE: Yes, they are engraved. In the revision of the Bank Act last year we introduced a similar provision with respect to bank notes, it being found impossible, on account of the great demand for bank notes, to have them signed by officers. As it may be of interest to some of the members, I shall lay upon the table a facsimile of a £1 note recently issued by the Bank of England. Previously the Bank of England's notes have been limited to £5 notes, but within the last couple of weeks they have been issuing £1 notes and 10s. notes.

Mr. A. K. MACLEAN: Is it proposed to permanently increase the note issue, supported by 25 per cent gold, up to \$50,000,000, or is the present proposal merely a temporary measure? What will be the de-