

WAR MEASURES BILL.

On motion of Hon. C. J. Doherty (Minister of Justice), Bill No. 2, to confer certain powers upon the Governor in Council and to amend the Immigration Act, was read the second time, and referred to a special committee composed of Sir Robert Borden, Sir Wilfrid Laurier, Sir George Foster, Mr. Pelletier, Mr. Pugsley, Mr. A. K. Maclean and Mr. Doherty.

COMMERCIAL AND FINANCIAL INTERESTS BILL.

On motion of Hon. W. T. White (Minister of Finance), the House went into Committee to consider the following proposed resolution, Mr. Blondin in the chair:

Resolved, that it is expedient to provide that in case of war, invasion, riot or insurrection, real or apprehended, and in case of any real or apprehended financial crisis, the Governor in Council may, by proclamation published in the Canada Gazette:

(a) Authorize the making of advances to the chartered banks by the issue of Dominion notes upon the pledge of securities, deposited with the Minister of Finance, of such kind and amount as may be approved by the Treasury Board; such advances to be repayable at such times as the board may determine with interest at a rate likewise determined by the board of not less than five per cent per annum;

(b) Authorize the chartered banks to make payments in the bank notes issued by such banks instead of in gold or Dominion notes, the total amount of the notes of any chartered bank circulation at any time not however to exceed the amount of its notes issuable under the provisions of the Bank Act, and of an enactment founded upon the next succeeding clause of this resolution;

(c) Authorize the banks to issue excess circulation, from and including the first day of March in any year to and including the last day of August next ensuing, or during any part of such period, to amounts not exceeding fifteen per cent of the combined unimpaired capital and rest or reserve fund of the respective banks, interest to be payable on such excess circulation at a rate not less than five per cent per annum;

(d) Suspend the redemption in gold of Dominion notes;

(e) Authorize, in so far as the same may be within the legislative authority of the Parliament of Canada, the postponement of the payment of all or any debts, liabilities and obligations however arising, to such extent, for such time and upon and subject to such terms, conditions, limitations and provisions as may be specified in the proclamation.

Mr. WHITE: I desire to move a slight modification in this resolution. In section (a), after the words 'chartered banks' I desire to insert the following words: 'and to the saving banks to which the Quebec Savings Bank Act, 113, applies.' There are two specially chartered savings banks, one in Quebec

[Sir Robert Borden.]

and one in Montreal, and I desire that this arrangement shall apply also to them.

Mr. NESBITT: Would the minister say how far he proposes to extend section (e)?

Mr. WHITE: This is enabling legislation. It authorizes the Government by proclamation to declare what is known as a moratorium. A moratorium may be general or it may be limited, and for such time and such conditions as the Government may determine. At the present time there appears no necessity for a moratorium of either a general or a limited kind, and so far as I can see no such necessity is likely to occur. We are taking the legislation as a precautionary measure, so that in case of an emergency arising in which it appears to be in the public interest that a moratorium proclamation should be issued, of a limited or of a general character, the Government will be in a position to act. The legislation does not of itself have the effect of postponing the maturity of obligations, but merely gives the Government authority in the matter should occasion arise. It is not in the mind of the Government at the present time that such a proclamation is to be issued.

Mr. NESBITT: I understand that. But the reason why I asked the question is that while I can see that occasion might arise when a moratorium might be proclaimed to a limited extent, I do not think that unlimited power in such a matter should be given to any government. The Parliament of Canada is the only authority that should have such power.

Mr. GERMAN: Has this Parliament power to give the Government the authority here proposed?

Mr. WHITE: I think there is no question that within the jurisdiction of the Dominion this Parliament has such power. Of course, matters of property and civil rights, under the British North America Act, come within the jurisdiction of the provinces. But there is a wide range of Dominion jurisdiction, as for instance, bills of exchange and promissory notes, interest, the regulation of trade and commerce, banking, and the issue of paper money. What we desire to have is what, I think, almost all European nations have—legislative authority under which, should occasion arise, the Government may act. On the second reading of the Bill I will give full information as to what has been done by the British and French Governments.