

April 23, 1872

object. Had he (Hon. Sir Francis Hincks) asked permission to borrow more money on the security of circulation, the remarks of his hon. friend would have been something more to the point, but he had done nothing of the kind.

The resolutions had already been fully discussed at a previous stage, and he had answered every question that had been asked. The House would stultify itself by adopting the statement of his hon. friend, which was incorrect, to prove which he quoted from a last returns published. There had never been a time that the gold held by the Government had not been sufficient for any run that could possibly be brought upon it. The Dominion Note Act had worked with the greatest satisfaction both to the banks and to the Government.

With regard to the position of the Government, it was well known that under the Dominion Note Act a good arrangement had been made with the banks. The Government had at that time a very large circulation in the Bank of Montreal, which under the old arrangement did not issue any notes of its own and the hon. member for Lennox (Mr. Cartwright) had pressed upon the Government the expediency of changing that arrangement. Had not the Dominion Note Act passed, the Government would have had to redeem the whole of that amount. They had now in circulation only \$1,797,087 in Dominion Notes, all the others having been redeemed. Large notes of the denominations of \$500 and \$1,000 had been found of great convenience to the banks as they were enabled to settle their balances with them instead of having to use gold or Bills of Exchange. The small note circulation is \$3,621,000, and being absolutely necessary for the public to have could not be drawn from circulation.

There were various reasons to induce the Government to bring forward the proposition under discussion. They had to be constantly, week after week, calling upon the banks for a reduction of their circulation in order to prevent an excess of the amount, beyond which they had to hold dollar for dollar in gold. They had no less than thirty-three per cent in gold and still had to withdraw \$200,000 from circulation, although many complained of the want of such notes. He did not expect Banks would issue a single note under the present arrangement if they could avoid doing so. The resolutions of his hon. friend dealt with the liabilities, but not the deposits.

Mr. GIBBS would like to ask the Finance Minister if, under the Bill to be introduced, the returns would show the amount held by the Government as gold, and as a separate return, the amount held by the Banks.

Hon. Sir FRANCIS HINCKS: Certainly.

Mr. GIBBS thought that would get over, to a very considerable extent, the difficulties about which he addressed the House when the resolutions were previously under discussion. As he understood the intention of the hon. Minister of Finance, it was to get over the difficulty which he found in making up his weekly return, which every now and then was in excess of the issue authorized, and he

(Mr. Gibbs) thought it desirable that the difficulties should be overcome.

The original resolutions were then carried, those of Mr. Cartwright being lost.

Hon. Sir FRANCIS HINCKS introduced a Bill to amend the Government Savings Bank Act; also, a Bill to correct a clerical error in the Act relating to Banks and Banking, and to amend the said Act; also a Bill to amend the Act relating to Dominion Notes; also, a Bill respecting the public debt and the raising of loans authorized by Parliament.

Hon. Sir FRANCIS HINCKS moved the House into Committee of Supply, **Mr. STREET** in the chair.

The House received the bills, which were read the first time.

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LARCENY OF STAMPS

Hon. Sir JOHN A. MACDONALD moved the second reading of a Bill respecting the Larceny of Stamps. He explained that the object of the Bill was to make stamps, whether issued by the Dominion or Provinces, a valuable security, and any person stealing them liable to be tried for stealing the amount expressed on the face of the stamp

Mr. HARRISON would seriously suggest to the consideration of the Government the propriety of abandoning the stamp tax, and if necessary raising the amount thereof by some other means. In many parts of the Dominion the law is not understood, and where it is the stamps are frequently not to be had, and when they are to be procured they are of such a character that they will not adhere to the paper, resulting in embarrassment of business, and he thought the law opened the way to fraud as many stamps were used more than once.

Hon. Mr. CAMERON (Peel) suggested the use of stamped paper, as in England, which would prevent the possibility of stamps being used more than once.

Mr. WORKMAN concurred with the hon. gentleman who had just spoken as to the inferior quality of stamps supplied.

Mr. SAVARY thought there could not be a more inconvenient way for raising revenue in Canada than by a stamp revenue. It bears very hard in the rural districts where a man has to travel several miles to get a stamp or his note is worthless. He had known one case in which a person had been supplied with postage stamps for bill stamps. He suggested that the Act should be amended or abolished altogether.

Mr. FERGUSON spoke against the Bill.

Mr. STREET said the suggestion of the member for Peel (Hon. Mr. Cameron) would be very embarrassing in rural sections of the country and he could not therefore concur in it. He agreed with the