

May 7, 1872

Mr. GIBBS said, that when the bill of two years ago had passed, he felt then that it would be necessary to introduce a measure of this kind; but he had no idea that a proposition would be made to reduce the gold reserve to twenty per cent. He thought it was a wise restriction on the part of the Legislature to require dollar for dollar in gold beyond the nine millions, and to remove that restriction, as was now proposed, was only in accordance with what had been foreshadowed in 1866, when the Government notes were first authorized.

He had every confidence in the present Finance Minister that he would in all fairness, candour, and integrity carry out the objects of this bill, but, unfortunately, in the course of nature he must be replaced by some other person who would not be so competent to fill the position, and in whom such general confidence would not be reposed. He trusted that the evil forebodings that had been indulged in with regard to the measure would not be realized, but the cry of "wolf, wolf" would never come true; but he believed that there was great danger unless some wise precaution was taken by the house to prevent expansion under the Acts of 1866 and 1869. He was willing to reduce the reserve to fifty per cent for notes issued beyond nine millions. He thought this was preferable to the amendment of the hon. member for Waterloo South (Mr. Young), and that it was the lowest limit to which the House could go with safety. He relieved the Finance Minister from any imputation of unfairness in dealing with the Banks, believing it was due to him in candour to say that he had placed them all on perfectly the same footing.

Hon. Sir GEORGE-É. CARTIER suggested that the Minister of Finance should be allowed to try the experiment, and then if the fears expressed were realized, the measure might be amended.

Hon. Mr. HOWE said that, as every one had such confidence in the Minister of Finance, he would suggest that his life should be made an Isolated Risk and insured for the good of the country. But suppose that any financial embarrassment should arise, was not the country able to meet her liabilities? He did not believe there was any danger in the measure. While the country had been prosperous, and Providence had given good crops, abundant fisheries, and an active population, the Minister of Finance had removed out of the way of the industry of the country every restraint, and restriction, and difficulty that had interfered, and every measure which he had put his hand to had been successful.

Hon. Mr. MACKENZIE: Not the national Policy.

Mr. STREET was glad to hear the high compliments paid to the Minister of Finance (Hon. Sir Francis Hincks), in which he entirely concurred; and he believed that, so long as the hon. gentleman retained his position, he would administer the financial affairs of the country in the same satisfactory way as heretofore. He could not, however see the advantage of insuring the life of the Minister of Finance, for insurance would scarcely prevent death, and he was sure the country would join him in the sentiment that they would

much rather retain the visible services of the hon. gentleman than derive any benefit from his death.

He did not feel the same apprehension with regard to the effect of the measure as was expressed by many hon. gentlemen. He did not think the power asked would be the means of bringing about any financial embarrassment. It was well known that the country was suffering from the want of small notes, and the wisdom and judgment of the Finance Minister, recognizing the want, led him to devise a remedy, and he now asked Parliament to pass a measure which would obviate the evil immediately. He was met with the cry that the Government would have too much power and that financial embarrassment would follow. He could not agree with such a cry. If any check was necessary beyond the judgment of the Finance Minister, it was to be found in the fact that the banks would not circulate the hon. gentleman's small notes to a greater extent than would be absolutely necessary, for they would not make the same money out of Government notes that they could out of their own. When the issue of small notes had been first taken out of their hands what a terrible cry the banks had raised; but they were not satisfied and willing to work under the Banking Law and the only difficulty now was that a larger issue of small notes was necessary and now that the Finance Minister proposed to meet the want, where was the difficulty?

He was the last man to desire a complete paper currency, but he did not think the measure warranted the apprehensions and doubts raised. The house met every year, and would be always able to rectify any difficulty that might arise during recess.

Mr. KIRKPATRICK thought the Minister of Finance would act in accordance with the general wishes of the country and for its best interests, as well as in accordance with the wishes of the bankers and commercial men of the country, if he accepted the amendment of the member for Waterloo South (Mr. Young), and he should vote for the amendment. He had not voted for the amendment of the member for Châteauguay (Hon. Mr. Holton), because he thought it struck at the root of the principle of Dominion notes, which had been affirmed by the house before he became a member and which had been generally approved by the country. That principle he believed to be this, that the profit to be derived from the circulation of the Dominion notes was a legitimate source of revenue. But the bill now introduced went a long way to make the issue an irredeemable currency, which certainly ought to be provided against.

He had every confidence in the Minister of Finance, but the House must legislate for the country, and impose proper restrictions on any Finance Minister or Government. Why was any limit inserted in the first measure, if it was not necessary; and if it was necessary, why should it be changed now? The bill must be read in connection with the bill allowing the Government to make loans to the banks. If the two bills passed the Finance Minister would be able to issue an unlimited amount of paper money. The redeeming point in the original measure was that it fixed a limit, and he hoped