

balance between the silver-using countries, the Orient, and the gold-using countries, comprising the greater part of the Western mercantile world.

Hon. Mr. CASGRAIN: India.

Right Hon. Mr. MEIGHEN: Silver is used there.

Section 2 provides for repeal in the following words:

The Dominion Notes Act, chapter forty-one of the Revised Statutes of Canada, 1927, as amended by chapter twelve of the statutes of 1932-33 and by this Act, shall be repealed on and from a date to be fixed by proclamation published in the Canada Gazette.

Hon. Mr. DANDURAND: The right honourable gentleman has not told us what has been and what is to be the average gold coverage of our notes. I see there is to be a reduction to 25 per cent.

Right Hon. Mr. MEIGHEN: Yes, in accordance with the resolution of the World Monetary and Economic Conference.

It becomes necessary for me to refer to two statutes which provide for note issues over and above the requirements set out in the general Act to which I have already referred. The Dominion Notes Act of 1915 provides for the supplementary issue of Dominion notes to the banks for special purposes during the grain season. Under the Finance Act of 1927 provision was made for advances to the banks on deposit of approved securities. According to the statement in the other House, on May 31, 1934, there was outstanding under the Act of 1915 \$26,000,000, of which \$16,000,000 is secured and \$10,000,000 unsecured; under the second Act \$38,444,000 has been advanced; and \$106,666,949 is outstanding under the Dominion Notes Act of 1914: a total of \$171,110,949. The gold against this, if taken at the old statutory value of \$20.67 per ounce, would be \$69,537,952. This is in itself a very large reserve, more than the statutory requirement, being 40.6 per cent of the total note issue; but at the present price of gold it is 52 per cent. Honourable members will agree at once that 52 per cent, or even 40 per cent, is a high percentage, and that in this regard the Dominion is in a very strong position.

Right Hon. Mr. GRAHAM: As I understand it, this Bill is merely to fill the gap until the coming into force of the Central Bank Bill.

Right Hon. Mr. MEIGHEN: Yes, because the Central Bank Bill covers note-issuing powers.

Right Hon. Mr. GRAHAM: The Central Bank Bill will give authority to do the things we are providing for in this Bill?

Right Hon. Mr. MEIGHEN: Yes.

Hon. Mr. DANDURAND: And will take the place of the Finance Act?

Right Hon. Mr. MEIGHEN: Yes, and of the Dominion Notes Act.

The motion was agreed to, and the Bill was read the second time.

CONSIDERED IN COMMITTEE

On motion of Right Hon. Mr. Meighen, the Senate went into Committee on the Bill.

Hon. Mr. Murdock in the Chair.

Sections 1 and 2, the preamble and the title were agreed to.

The Bill was reported without amendment.

THIRD READING

Right Hon. Mr. MEIGHEN moved the third reading of the Bill.

The motion was agreed to, and the Bill was read the third time, and passed.

CENTRAL BANK BILL

Hon. Mr. DANDURAND: I understand the Central Bank Bill will be adopted by the House of Commons this afternoon. If we adjourn during pleasure and meet again this afternoon we may receive the Bill from the other House and refer it to the Standing Committee on Banking and Commerce.

Right Hon. Mr. MEIGHEN: Yes. At 6 o'clock we can get the Bill under way, so the Banking and Commerce Committee may deal with it to-morrow.

The Senate adjourned during pleasure.

After some time the sitting was resumed.

Right Hon. Mr. MEIGHEN: Honourable members, the reason for our meeting at this unusual hour was the expectation that by this time the Bill regarding the Central Bank, or the Bank of Canada, would have reached this House from the other Chamber. Again we are disappointed. There is no Bill yet. However, as we may expect it to arrive shortly, and want to send it to the Committee on Banking and Commerce as soon as possible, I move that when the House adjourns to-day it stand adjourned until 12.45 p.m. to-morrow. This will enable us to send the Bill to the Committee on Banking and Commerce early in the afternoon.