

urday. I might say that at present the impression of the Government is that we may get through the business of the session by Saturday.

The Senate adjourned until three o'clock to-morrow.

THE SENATE.

Friday, August 21, 1914.

The SPEAKER took the Chair at Three o'clock.

Prayers and routine proceedings.

THE BUSINESS OF THE SESSION.

Hon. Mr. LOUGHEED—The Prime Minister and the leader of the Opposition have just been in consultation with a view to deciding whether it is possible to conclude the business before Parliament by to-morrow night. There is a disposition on the part of a great number in the Commons that we should terminate our business to-morrow. As the leader of the Opposition is to inform the Prime Minister at 6 o'clock this evening whether that can be accomplished, with the leave of the House, I move that we adjourn until 8 o'clock this evening.

The motion was agreed to.

The Speaker took the Chair at 8 p.m.

THE FINANCE ACT, 1914, BILL.

FIRST, SECOND AND THIRD READINGS.

A message was received from the House of Commons, with Bill (4), an Act to Conserve the Commercial and Financial Interests of Canada.

The Bill was read the first time.

Hon. Mr. LOUGHEED moved the second reading of the Bill. He said: The main object of this Bill is to confirm the Orders in Council which have already been passed concerning the issue of Dominion notes. Clause 3 deals with this particular question. Clause 4 of the Bill empowers the Government to issue Dominion notes to the chartered banks in time of war upon their depositing securities that will be approved by the Treasury Board.

Subclause B of the Bill makes provision that the chartered banks may make payments in their own notes, instead of making payments in specie. This would make the bank note a legal tender during the war.

Hon. Mr. LOUGHEED.

Hon. Mr. CLORAN—Would the amount of the notes be limited?

Hon. Mr. LOUGHEED—Yes, the amount would be confined entirely to the right which the banks now have in issuing notes. It would not exceed their right of circulation.

Hon. Mr. McSWEENEY—Have they not that power now?

Hon. Mr. LOUGHEED—No. Any one tendering a bank note to the issuing bank is entitled to receive gold for it. A bank note is not legal tender.

Hon. Mr. BELCOURT—He is entitled to gold.

Hon. Mr. LOUGHEED—Yes. Paragraph C deals with excess circulation by banks. Hon. gentlemen will remember that we have made provision for an emergency circulation up to fifteen per cent during certain periods of the year, to provide for the movement of the crops. This subclause c permits of that emergency circulation during the period of war being issued throughout the remaining part of the year. Subclause d makes provision to suspend the redemption in gold of Dominion notes. That principle is already admitted in the Bill. Paragraph E gives authority to the Government to proclaim a moratorium. The other clauses of the Bill simply work out the principles which have been embodied in those sections to which I have referred.

Hon. Mr. BOSTOCK—The hon. gentleman did not say whether the Government think it will be necessary at the present time to deal with subclause E at all.

Hon. Mr. LOUGHEED—No, it is not the present intention of the Government to do so, but it has been thought by the best financial authorities in the Dominion that the Government should, in the event of contingencies arising necessitating the exercise of such power that the Government should be able to do so. It has been adopted already in France, Austria, Russia and Great Britain, and doubtless may be adopted by the other powers which are at war.

Hon. Mr. BELCOURT—I notice that the Bills are as printed in the House of Commons. I have the French version here. Are we to understand that Bill 4 as it is now before us is exactly as it was passed by the Commons?