

of the issue of \$4,000,000, while the country was secured, the Government got the use of \$9,000,000 without paying interest, and therefore the country gained. It was now found that in the interest of the country the banks required a larger circulation, and if the Government proposed to give the same security as for the \$9,000,000 already authorized that security would have been good.

Hon. Sir FRANCIS HINCKS desired to explain the matter, so that the Committee might understand it. The Government were now getting the interest on \$7,200,000, and if he thought it safe to increase that amount he would propose to do so, but he did not. He showed that on a certain date, though the Government had nearly \$1,000,000 in gold in excess of the 25 per cent of the circulation they were compelled to hold, yet the terms of the Act had obliged them to withdraw \$200,000 of the circulation, and it was to meet this difficulty that the proposal was made. He knew that a greater circulation in small notes was needed, but that was not the immediate cause for the resolution, but it was to do away with the difficulty that had arisen, and he was sure that it was in the interest of the Government and the public that the resolution should pass.

The resolution was then passed.

Hon. Sir FRANCIS HINCKS then moved that it is expedient to consolidate Acts respecting Public Debt and the raising of loans so as to make one Act applicable to all future loans, and amend the same by enabling the Governor in Council, in raising any loan hereinafter authorized, to establish a sinking fund not exceeding one half of one per cent per annum for paying of the same, and to change the form of any part of the funded debt by substituting one class of securities for another, provided the annual charge for interest not be increased, and to effect temporary loans for a limited time, and at a limited rate of interest in cases of temporary deficiency in the consolidated revenue fund to meet the charge on it. He said the object was that, whereas according to the present law the debt might be changed in character but not in amount, the law might be consolidated, but there was no particular deviation from the present state of things.

Hon. Mr. HOLTON would reserve any remarks until the Bill to be founded on the resolution was introduced.

Resolution carried and Committee rose and reported.

The SPEAKER reported the concurrence of the Senate in the address to the Queen on the recovery of the Prince of Wales.

The SPEAKER also reported a message from the Senate appointing Committees to act with the House of Commons with regard to library and printing.

Mr. WALLACE (Vancouver Island) asked whether the Government intended to appoint during the present year an officer or officers to administer the Indian affairs in British Columbia.

Hon. Sir GEORGE-É. CARTIER replied in the affirmative.

Mr. WALLACE (Vancouver Island) asked whether it was the intention of the Government to employ an armed vessel to cruise in the waters of British Columbia for the protection of outlying settlers against depredations by the Indians, and at the same time to assist in the suppression of the present illicit and pernicious traffic in alcoholic liquors among the Indian tribes.

Hon. Sir GEORGE-É. CARTIER said the Imperial Government had provided a vessel for this purpose, and consequently there was no necessity for the Canadian Government to do so.

Mr. BLANCHET asked whether it was the intention of the Government to fix the terminus of the Intercolonial Railway at Lévis, opposite Quebec, constructing a branch line from Saint Charles, County Bellechasse, through the parishes of Beaumont and Saint Joseph de Lévis.

Hon. Mr. LANGEVIN replied that the Government could not state their intention on the subject until the Intercolonial was completed.

Mr. McDOUGALL (Renfrew South) moved for a return of the cases decided by the Dominion Board of Arbitrators since Confederation.—Carried.

The House then adjourned at 9.35 p.m.