

ing, after that fact becomes known, than before.

Hon. Sir MACKENZIE BOWELL—There is one point brought out to-night which I must confess I was ignorant of. The hon. gentleman (Mr. Forget) stated that if you go to the Receiver General's office with a quantity of legal tender notes and demand the gold for it, you cannot get the gold. If that is the case, there is no redemption of those notes. I understand if you go to a bank with a thousand dollars, or ten thousand dollars of their notes and demand gold, there are certain centres where they are obliged to redeem them in gold, but, from what has been stated, that does not apply to the office of the Receiver General. I was always under the impression that he had to give you the gold for Dominion notes. My hon. friend says no, they will not. What will they offer you in return—another \$10,000?

Hon. Mr. MILLS—The government do not redeem in that way. The only redemption of government notes will be from the banks—no officer of the government will undertake to redeem them.

Hon Sir MACKENZIE BOWELL—What is the object of the Receiver General's office then?

Hon. Mr. FORGET—If you have ten thousand dollars in Dominion notes, and you go to your bank and say: 'I want gold for this.' They say: 'Yes, we will give you gold at a price.' They will not give you gold at par. They say, 'These are not our notes.' They will pay gold for their own notes only. If I take the Dominion notes to the Receiver General, he will not give me gold. I have tried it.

Hon. Mr. DANDURAND—What did he answer?

Hon. Mr. FORGET—He said, 'Go to the bank.' The government is supposed to redeem its notes in gold, but it does not do so. For instance, if you take a bag of silver to the Receiver General he will not take it.

Hon. Mr. BERNIER—Are we to understand that a man going with ten thousand dollars in Dominion notes to the Receiver General, or to the bank, cannot get gold for it or has to pay a discount? If that is so, there is something wrong.

Hon. Mr. MILLS—No.

Hon. Mr. FORGET—It is explained in this way: these notes are circulated on the credit of the government, and the government keep a reserve in the treasury.

Hon. Mr. PERLEY—Then why do they not redeem their notes?

Hon. Mr. FORGET—They must keep ten or fifteen per cent to meet their circulation. If two or three big bankers go to the Receiver General's office to-morrow and ask them for a couple of million dollars, the government would not have the gold to give.

Hon. Sir MACKENZIE BOWELL—As I have stated, when the bankers came to the Receiver General and demanded large amounts of gold, we had to pay it, and the only way we stopped it was to bring in English gold, which is legal tender under our law, and that stopped the run. I never knew before that the Receiver General could refuse to redeem Dominion notes in gold. I always supposed that if I went to the Receiver General with Dominion notes I could get the gold.

Hon. Mr. BERNIER—I have never been a banker, and consequently cannot throw any light on the effect that this will have on the circulation or on trade of the country. My first impression was that Canada being a gold-producing country, it would be an advantage to the Dominion to have a mint. But here we are told by leading bankers of the Dominion that the creation of a mint would interfere seriously with the circulation of bank and Dominion notes, and although, from a sentimental point of view, we might afford the luxury of losing something from the establishment of a mint, it is a different matter to interfere with the banking business of the country and injure our money market or our trade relations. It is a very serious matter. The bankers have taken the trouble to warn us. Their remarks should be taken into very serious consideration.

Hon. Mr. DRUMMOND—I have nothing to add to what has been said except this: I should like to see the government, in counting the cost of this, take into account, first, the expense of a mint, and, second, the amount of the interest they will lose, to the full extent of the point at which the new