

meantime the survey must be continued from the point of the present survey.

Hon. Mr. MITCHELL—Would the hon. gentlemen object to stating whether the line of the railway will pass to the north or south of Lake Manitoba.

Hon. Mr. MACKENZIE—It will not pass either to the north or the south, but through the middle of it. There was a point where Lake Manitoba narrowed to the width of about 1,200 feet, and with a depth of only some 16 feet; and the railway would cross at that point. This enabled them to build the road in an almost perfectly straight line from the North end of the Lake of the Woods to Fort Pelly, and through one of the finest sections of the country, yet explored. It would cross the Red River about three miles North of the Stone Fort, about 22 & 23 miles, North of Winnipeg.

Item passed.

On item 186, estimate of amount for which a vote is required for minor revenues, \$10,000, in answer to Hon. Mr. MITCHELL,

Hon. Mr. CARTWRIGHT said this amount was rarely expended. Last year there was a surplus of \$6,000 or \$7,000.

Item passed.

The Committee then rose and reported the resolutions passed and asked leave to sit again.

The House adjourned at 10.30.

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## HOUSE OF COMMONS.

*Wednesday, February 24th, 1875.*

The SPEAKER took the chair at three o'clock.

### THE DOMINION NOTES ACT.

Hon. Mr. CARTWRIGHT introduced a Bill to amend the Act regulating the issue of Dominion Notes. He said he need hardly state that his own notions as to the issuing of Dominion Notes were tolerably well-known, and so far as the theoretical part was concerned, they had not changed, but after the introduction of certain measures it was not always advisable to change them. Although his ideas of the Dominion Notes Act were unchanged, his opinion was that it should be restored to the original shape in which it was introduced in this House. For many reasons he believed its operation would be more

wholesome in that form. The original proposition contemplated a Dominion Note circulation of \$9,000,000, and if any amount above that should be issued, dollar for dollar in specie should be held for such excess. He knew that when the present Act was in the statute book certain serious inconveniences might ensue, and those inconveniences had ensued. From the time it had been on the statute book, the gold reserved in this country, never very large, had been steadily decreasing. It was safer and cheaper for the banks to hold notes which were legal tender in the country and as good as gold in all cases for commerce. Some two or three years ago a portion of the specie held as against Dominion notes was very considerably in excess of the amount of notes, and very considerably larger in proportion to the total liabilities of the conjoined banks, than at present. Now these facts had been reversed. The banks held considerably more Dominion notes than gold. There was comparatively but a small amount of gold in Canada, and this was a matter of serious consequence. The House and the mercantile community were aware there had been a rather serious draw on gold of late. Within the past six or seven weeks the Government had had to pay some \$2,000,000 in gold in redemption of their Dominion notes, and had it not been for the fact that for a considerable time back the Government had held a large excess of specie, amounting to something like \$500,000 or \$600,000 in excess of that required by law, rather serious inconvenience would have been felt. As the matter stood, the inconvenience was but slight to what the public would have experienced had not the reserve of gold been retained at a high figure. It would be obvious to the House that it was not desirable that the Government should be exposed to the charge of interfering with the ordinary operations of the market. In all cases it was extremely important as far as possible that the working of this gold reserve should be automatic, and, with a view of attaining that end, it was his intention to propose to the House that the Government should fix a certain sum, beyond which, as heretofore, they should hold dollar for dollar, and within certain other limits should considerably increase the proportion of gold held for notes. He did

*Hon. Mr. Mackenzie.*