

States coin. They will take other gold coin as bullion, but not as coin. As I have said, I have remitted once or twice within the last five or six years a million dollars at a time to New York. I had to get United States gold. Of course, the gold has its value, but when you remit to New York in panicky times, or a merchant pays his debts in big financial transactions, it must be available immediately the day it reaches New York, or, if it is not, they will charge interest as if the debt had not been paid. You have to pay interest until you are told the value of your bullion. It may take a day or two days for that. I have had no experience on that point. Every time I remitted I bought United States gold on the market, because I knew very well that I could not send sovereigns. They were not legal tender.

Hon. Mr. DEVER—Were they taken at a discount?

Hon. Mr. FORGET—It is practically a discount—the gold is taken as bullion. I think my hon. friend from Montreal (Hon. Mr. Drummond) will corroborate what I have said.

Hon. Mr. DRUMMOND—Yes, I do. When you send gold to New York it is a case of hurry—it must be at once. You must not give the man who is to get it the option of refusing it. You could not do that with anything but United States gold. Your gold is gold, and will be taken as bullion when duly melted and assayed.

Hon. Mr. FORGET—The move is a good one. My hon. friend from Montreal has a large interest in banking. I have also, indirectly. I believe this will interfere with the circulation of bank notes and still more with the circulation of Dominion notes. It is not known generally by the public, but we know it in our business, that if you present ten, fifteen or twenty-five thousand dollars of legal tenders at the Receiver General's office in Montreal and demand gold for it, you cannot get it. The public supposes that the government is obliged to redeem its notes in gold. Well, they will not give you gold for it; they say 'the notes are legal tender.'

Hon. Mr. MACDONALD (P.E.I.)—Why?

Hon. Mr. FORGET—I do not know, but it is a fact. So if you want to make a circula-

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tion of your gold you must redeem your legal tenders. You must pay any man who goes to the Receiver General's office, in any city of the Dominion, gold when he wants it. If you do not do that, as I have said, the circulation will not increase. At the first, while it is a new thing, everybody will be glad to get the gold. Every one would prefer to have gold rather than silver coin in his pocket, but there is a limit to that. After a few months you will find you will have to do something—either amend the banking law, or pay gold for your legal tenders, to increase the circulation of the gold coin.

Hon. Mr. DRUMMOND—The purpose of the few remarks I have made is simply to place before the government the fact that this is not all plain sailing, and that they ought to consider well before they break in on a system which experience has proved to be satisfactory and equal to the demands of the community.

Hon. Mr. MILLS—My hon. friend fully realizes also that a paper circulation is a promise to pay. The circulation of gold is payment. You cannot have a dollar in paper put in circulation without some one incurring a liability to that extent. If you have \$45,000,000 in bank notes in circulation, somebody in the country, or a number of persons in the country, must have incurred indebtedness to the bank to that extent. Not a dollar of paper money can be put in circulation without incurring indebtedness and borrowing money to that extent. That is not the case with gold or silver put in circulation. The gold or silver is absolute payment. A bank note is a promise to pay, and its value only on account of the undoubted credit of the person who has made that promise. In this case, it may be that, when the gold is coined, you may stimulate the business of the country so as to require a larger amount of medium of exchange than you required before, and if that be so, the bank circulation and the circulation of government notes will be less interfered with than might be expected by putting a gold coin in circulation. But I have no doubt of this, that if, upon the experiment being tried—and it is a wholly tentative experiment—the bank circulation, or the government note circulation, is to any extent encroached upon, then there will be very much less coin-