NEW ADVERTISEMENTS.

Rink Music Hall—Ottawa Philharmonic Society.

Canada Central Railway—John G. Richardson.

The Ottawa Times

WEDNESDAY, MARCH 23, 1870.

☞ *For interesting reading Matter see first Page; for Ottawa Markets see Fourth page.*

CANADA SUPERIOR TO INDEBTEDNESS.

There is no one, in this Dominion, weak enough to imagine that any individual claims against Canada could not be promptly met. There is no one that will even fancy that it is in our Canadian capability to satisfactorily arrange and prolong Canadian indebtedness to foreign capitalists. No one, who has read of the first effect of national indebtedness upon the public mind in England, can however, be astonished, at the effect of our comparatively trifling Dominion liabilities, upon a similar class of minds. The demand liability may be even so placed before ordinary minds as to excite mistrust and misapprehension. When the *Globe* places these latter liabilities at seven millions of paper money or promises to pay, against $1,750,000 in gold to protect such promissory notes with, he labors to impress upon the public mind of Canada the belief that the paper currency of Canada is inconvertible. It does not occur to the *Globe* that gold is only wanted to meet the demands of persons who, from peculiar circumstances, may need it, and not as a guarantee of the capability of the Dominion to realize in gold whenever the need should arise. That need will never arise while the public have confidence in the certain growth of Canada in material wealth. The gold of Canada lies in her lands, and lakes, and rivers, and gulfs, and sea coasts. The wealth of Canada consists in a vast cultivable soil, great navigable waters, inexhaustible fisheries, immense mineral wealth, great forests, and in an increasing, intelligent, and energetic population. All that has contributed to make the United States a nation of 40,000,000 of people, and has already given to this Dominion 4,000,000 souls, exist. There is no indebtedness beyond the power of such a country as this is to pay. There is no country in the earth, not even Australia—with such a prospect of future greatness as Canada. The future—the immediate productive future—of Canada is greater even than that of the United States. There is very little of old or fully settled districts in Canada, while the whole eastern coast of the United States is as unproductive in the way of unmanufactured exports as London or Glasgow. Here there is a raw material of gold, silver, copper, antimony, iron, coal, ashes, petroleum, salt, gypsum, lumber, and timber, which, for centuries hence, will attract foreign Capital, and there is land to produce bread-stuffs enough to feed Europe and the Eastern United States and our own Maritime Provinces, for centuries to come. Canada is superior to the heaviest indebtedness. In fact the more money Canada owes to the foreigner of any land the more productive she will become, and consequently the wealthier. All that Canada needs to become rich is an increased borrowing facility. Her railways and canals, and indeed, all her public works have been built on the credit of posterity, but, if it were desired or desirable to increase the burden of taxation upon a present generation, there would be no difficulty on the part of the government in paying off every cent of public indebtedness. If the United States are now reducing their paper at the rate of $100,000,000 a year, it is done at the sacrifice of her shippers and manufacturers, and of a present industry generally. The people are much taxed directly to pay off the public burdens, and everything they eat and wear, in house rents, in articles of luxury, and on the ordinary necessaries of life. An American citizen pays more for the coal he wears to the State than to the tailor, while here certain kinds even of cloth can be manufactured and sold cheaper than in England, notwithstanding the higher value of labour. Here our most burdensome taxation is municipal. The Dominion taxation is scarcely felt. Here the taxation, which presses upon us, is that from which immediate and direct benefit is obtained. In the United States the direct burdens are municipal, state, and national. There, however, the people have had no dread of greenbacks, and why should the people of Canada be bugaboosed by Shinplasters? It is easy to frighten people, unaccustomed to figures, with a parade of millions of indebtedness. Those who judge of others wealth by their own individual wealth must naturally be appalled at the parade of sums, which, looked upon comparatively, seem fabulous. Our contemporary the *Globe* parades the cash reserves of all the Banks at $15,000,000—we may say $16,000,000—and tells its readers that one-half of this amount is to be handed over to the Government in exchange for Dominion paper. This alone, if true, would be a guarantee for the convertibility at least of that paper. It, indeed, makes the paper what a farmer would call not as good as gold, but as good as wheat. But it is not quite true, because it is not quite necessary. Our contemporary the *Globe* goes still further, and proclaims to all who read that valuable newspaper, but valueless instructor in financial economy, that small bills are to be issued—in value from 5 to 50 cents—to replace all the foreign silver and the small note circulation of the Banks. This is just about as true as that there are to be four Government Banks—one in each Province—for the issue of Dominion notes, managed by Government officials. It is just about as true as that the Government is not at any time prepared to meet the demand of the Post Office Savings' Bank depositors for $1,226,960, should so foolish a demand be even possible; and it is much more true than the statement that the effect of Sir Francis Hincks' Banking scheme is to make the Government liable to pay $10,000,000, with only $1,750,000 of specie on hand to protect it. The whole country is on hand to protect any indebtedness of the Government. The whole resources of the country are constantly on hand to protect the people of the country from loss. The banks would necessarily place the whole wealth of the whole trade of a country at the service of the country if there were need, but happily there is none. The banks live by the superior intelligence of the Government, as on the facilities afforded for increased commerce they necessarily fatten. The banks are the cash representatives of the soil and labor and trade, and all these things the Government regulate and control under the direction of the people and in the interest of the people.

PARLIAMENTARY SUMMARY.

A somewhat sharp debate took place on motion for concurrence in Sir FRANCIS HINCKS' Banking resolutions. Hon. Sir A. T. GALT, Messrs. CARTWRIGHT and GIBBS, and Hon. HELIVAR CARMICHAEL contended that the proportion of specie should be held against circulation, and not against debenture reserve.

Hon. Sir FRANCIS HINCKS and Hon. Mr. TILLEY contended in reply that when twenty-five per cent. in gold was held against the debentures, there never could be less than twenty per cent. of gold against the circulation, while at times the proportion of gold might be much greater, and therefore they held to their plan as affording greater security for the Dominion notes. Hon. Sir Francis Hincks said it might happen under his scheme that against eight million of notes issued, four millions might be kept in gold.

The amendment broke down on a division of 59 to 91.

Mr. BLAKE moved an amendment to affirm the principle, simply that the reserve should be held against circulation, which was lost in a thin House, on reassembling at recess by 53 to 62.

Thus ends the struggle on the Dominion Notes' Measure.

Hon. Mr. LANGEVIN's Official Arbitrators Bill was moved a stage.

Hon. Mr. DUNKIN's Census Bill, and some other Bills, were also moved forward a little, and the House adjourned at 11 p.m.

The trial of Prince Pierre Bonaparte for the killing of Victor Noir began in the City of Tours on Friday. The Prince arrived from Paris in charge of one of the *gendarmes* and accompanied by a chief officer of the police. Several editors of the *Marseillaise* are also in Tours to take part in the trial as witnesses. Among them are Rochefort, Milliere, and Grousset, the latter being the writer of the challenge to Prince Pierre Bonaparte, which cost the bearer his life. They are all in charge of officers, as they are serving out sentences for various crimes against the state. The Emperor takes great interest in the trial, and has arranged to have reports sent to him by telegraph every two hours. A late despatch from Tours says that the city is excessively crowded with strangers. The trains to that place are overloaded with passengers. Tours is an ancient city of about 40,000 inhabitants, and is situated in the department of Indre et Loire, 120 miles S. S. W. from Paris. It is a favourite residence of the English, whose numbers within it are estimated at 3,000. In the neighbourhood of the city is the castellated den of Plessis les Tours, the scene of one of the most interesting incidents in Scott's "Quentin Durward."

OUR STRENGTH AND THEIR STRENGTH, &c., by the Rev. Æneas M. D. Dawson, at Mr. Walter's, 2 Rideau street; and all booksellers.

The Reverend Æneas Macdonell Dawson has published a neat volume entitled "Their Strength and Our Strength—the North West Territory, and other papers chiefly relating to the Dominion of Canada. The first division of this valuable work is political, being a series of seven letters in refutation of the Goldwin Smith and Hon. Robt. Lowe's theories, and a lecture on the British Colonies. The second division contains an accurate geographical, topographical and statistical description of the North West Territory. The third division contains a funeral sermon on the death of H. J. Friel, Esq., late Mayor of this city; the Poets of Canada; and a sermon preached at the Requiem of the late Hon. T. D. McGee, at L'Original, on the 28th of May, 1868. The fourth division contains a variety of original poetry by the Revered Mr. Dawson. The fifth, original reviews, and the sixth is a notice of the death of the Rev. Thos. O'Boyle.

This volume is a most important addition to Canadian Literature, and was to be expected of from the high character and prominent position the Reverend Author achieved at his first appearance in the ranks of Canadian literature. There can be no doubt that Father Dawson has rendered this country inestimable service by his vigorous attacks on political theories and mischievous speculations of the British Radical school, and has clearly demonstrated the falsehood of the data on which those theories were founded, and vindicated a right to the title of his book, "Their Strength and our Strength" as very peculiarly applicable; while the admirable article on the North West is replete with information of the most valuable character. The sermons on the eminent men lost to the country are specimens of pulpit eloquence of a high order, while the reviews of the Canadian poets is undertaken in the clear, critical style, and with the genuine good nature for which the Rev. Father is distinguished. The author's original poetry bears evident marks of taste and ability. It is of a very high character indeed, and portions of it are touchingly beautiful. of this latter character are the translations of the "Dies Irae" and "Te Deum," both extremely difficult subjects, but singularly well and skilfully handled. Altogether this is a most interesting and valuable addition to the national literature, and reflects great credit on the ability and taste of its author.—*Volunteer Review.*

The Detroit *Tribune* says: Mr. J. W. Johnston, of this city, has recently sold to Mr. Forest Smith Campbell, a Scotchman, an eighth interest in a tract of mineral land on Wawa Lake, in Canada, on the north shore of Lake Superior, for the large sum of $40,000. This land is thought to contain extensive deposits of copper and silver.

The recent movement of the loyalists in Red River was not such a complete failure as we were at first led to believe. The object of the rising was to accomplish the release of the Canadian prisoners who have been held in custody by Riell since the beginning of the troubles. When the call was made the people promptly answered it, and at one time there were over six hundred in the field, under the command of Boulton and Schultz. This force would have been a match for any that Riell could have brought against it; but the leaders very properly decided on peaceful negotiations before proceeding to extremes. Accordingly a deputation was sent to Riell, with a demand for the immediate release of the prisoners. At first the demand was refused, but on the following day, by which time the loyal force had increased, Riell liberated all but twenty-four, who refused to swear to keep the peace. These he said he would not liberate under any circumstances. By another day, however, the loyalists had increased to 700 men, and were preparing to march on Fort Garry. This was more than Riell had expected. He became alarmed, suddenly changed his mind, and that evening liberated all the prisoners, even including four who had been sentenced to banishment. The loyalists, having accomplished their purpose separated, and it was while a small party of them were returning to their homes, accompanied by Boulton, that that officer was arrested. The result of this movement shows that there is a strong party in the country which Riell cannot control.—*Toronto Telegraph.*

It is rumored that John Sandfield Macdonald is in some way assisting in the management of the Post Office Department. We believe the rumor to be incorrect. Indeed, the only foundation for it is that the Canada postage stamps are getting to be so inferior in quality, so thin as to paper, and so sparing as to gum, that it was considered certain Sandfield must have had something to do with their get up.—*Hamilton Evening Times.*

Try Fraser's Magnetic Fluid for Rheumatism.

Dominion Parliament.

SENATE.

OTTAWA, March 22, 1870.

The SPEAKER took the chair at the usual hour.

After routine business

Hon. Mr. McCULLY moved for an address for correspondence relating to Compulsory Pilotage. He said the Maritime Provinces took very great interest in the question, and it had been engaging the close attention of the mercantile and shipping community there. His object in making the motion was to obtain interchange of thought and opinion with members from other Provinces.

Hon. Mr. CAMPBELL said there was no objection to produce whatever correspondence there might be on the subject.

Hon. Mr. SIMPSON moved the consideration of a third report of the Printing Committee, which recommended the printing of certain documents.

The House then went into Committee again on the Bill relating to Light Houses, Beacons, Buoys, Hon. Mr. WARK in the chair.

Hon. Mr. MACPHERSON said it appeared from what the Minister of Marine had stated in the House yesterday, there was to be another Bill on the subject of Pilotage &c. As the whole policy of the Government was not before the House, and as the Minister had quoted from a report which which was not before members he (Mr. Macpherson) would suggest the postponement of the Bill for a week, more or less, until the House was placed in possession of the whole policy and information of the Government. He moved an amendment to that effect.

Hon. Mr. HAZEN, who seconded the amendment, did not express any opinion as to the merits of the Bill, but thought all the information that could be given should be placed before the House.

Hon. Mr. MITCHELL had no objection whatever to give all the information the Government had to give; but the House was really in possession of all that could be brought down. But the amendment was intended to defeat the object of the Bill, not to elicit further information, and he could not accept it. With respect to the other Bill which he had mentioned yesterday, he said that it was in the hands of the Law Officers, but it was uncertain whether it could be prepared and matured before the next meeting of Parliament.

A discussion then followed; the chief points of which had been brought out in previous discussions of the Bill; and finally the Committee divided on the amendment, the contest being 19, and the non-contents 38.

Hon. Mr. RYAN then proceeded to address the Committee on the amendment which he had moved the previous day, and at the hour of six when the Committee and House rose, he signified his intention of withdrawing the amendment if the seconder (Hon. Mr. Tessier) would concur.

Hon. Mr. TESSIER was understood to say that he would concur conditionally.

The House then rose.

AFTER RECESS.

The House went into Committee again on the Light Houses, Beacons, and Buoys Bill. Mr. WARK in the chair.

The CHAIRMAN said the amendment to the third clause, moved by the Hon. Mr. Ryan, was withdrawn, and the clause was adopted without amendment. The fourth clause, and an additional clause were also adopted.

At this stage the Hon Mr. RYAN entered the House, and said that the Committee had been too hasty, for he had not, before recess, absolutely withdrawn his amendment; he had consented to withdraw, subject to the approval of the seconder (Hon. Mr. Tessier) and he understood the seconder had some conditions to propose.

Hon. Mr. TESSIER said his object was simply to have it clearly defined in the clause what particular functions the Trinity Houses were to be deprived of.

Some discussion arose as to the necessity or otherwise for the clause, as repealing clause of the ninth section of the Act of 1868, and the discussion was afterwards extended to embrace the general proposition of the Bill.

The Bill was reported with amendments.

Hon. Mr. MITCHELL said in order to meet the views, as far as possible, of those who had moved the amendments, he was willing to postpone the third reading of the Bill till Thursday next.

The report of the Committee of the Whole on the Bill relating to Bills of Exchange and Promissory Notes was adopted; and the Bill was read a third time.

The House then, (10:40) adjourned.

HOUSE OF COMMONS.

The SPEAKER took the Chair at 3.25.

Mr. STREET presented a petition for the enlargement of the Welland Canal.

Mr. DREW presented a report from the Private Bills Committee, on the Bill to enable tolls to be collected at Collingwood Harbour.

Hon. Sir GEORGE E. CARTIER presented the report of the Railway Committee.

Mr. MACFARLANE presented the report of the Committee on Standing Orders.

The Union Bank of Halifax and Pacific Railway Company had complied with Standing Orders.

Hon. Sir GEORGE E. CARTIER presented a report on the state of the Militia, and each member would receive one copy, with a military map; the others were without the map. He also laid before the House regulations for active and reserved Militia and Military Schools, prepared by the Adjutant General, and approved by the Governor in Council.

Mr. BROUSSEAU made some remarks as to the practice in respect to the printing of Departmental Reports.

Mr. MACKENZIE said by the rule hitherto followed, the House paid for the composition and the Departments for the paper and press work of the quantity required.

Mr. BLANCHET hoped that a sufficient number of rules and regulations would be printed for the officers of the Militia.

Hon. Sir GEORGE E. CARTIER said that it was intended to have these printed in a different form, in French and English, put up in a cheap binding, and distributed to officers and men.

Mr. CURRIER presented a petition respecting the Ottawa City Railway.

Hon. Sir FRANCIS HINCKS presented the report of the Committee on Banking and Commerce, reporting favourably on the Amalgamation of the Canadian Bank of Commerce and Gore Bank.

Mr. MACKENZIE asked when the report of Thunder Bay would be brought down.

Hon. Mr. LANGEVIN said the return had been delayed, in consequence of the absence of Mr. Dawson, on official business. It would be down to-morrow.

Hon. Sir ALEX. T. GALT asked whether they were likely to get the correspondence respecting the fisheries.

Hon. Sir J. A. MACDONALD—Not immediately. They were in expectation of a despatch by every mail.

The concurrence on the Resolutions respecting Dominion Notes was put.

Hon. Sir ALEX. T. GALT said it was usual to read the resolutions twice. There had been no first reading.

The resolutions were then read *seriatim*. The first clause was concurred in.

Hon. Sir FRANCIS HINCKS moved the concurrence in his resolutions on Dominion Notes.

After some discussion on a point of order, the first resolution was concurred in.

On the second reading,

Mr. CARTWRIGHT moved an amendment, which has already appeared, and which was for the purpose of providing that the reserves to be held by the Government, shall be twenty-five per cent. not of the debentures, but of the issues and for removing the ambiguities which he said had so perplexed the minds of members on both sides of the House. He also changed the amount from five to nine millions, and said the House must see that to carry out the plan as proposed, the latter amount must be required.

Hon. Sir FRANCIS HINCKS believed that to some extent the objects of the hon. member for Lennox were the same as his own. He did not, however, believe that the resolutions of the hon. member were so safe as his own, and said it was a total delusion to suppose that the effect of the resolutions proposed by the Government, is that a less amount of specie shall be held, than by that of the hon. member for Lennox or by the Act of the hon. member for Sherbrooke. He called the attention of the House to the terms of that Act, and the manner in which he proposed to provide for securities for the issue of notes. The simplest way to arrive at a conclusion, as to the respective merits and soundness of the schemes, was by comparing two returns which he had placed upon the table last evening one showing the actual working of the scheme of the member for Sherbrooke, and the other showing what will be the effect of the scheme now proposed by the Government.

Mr. MACKENZIE said, they had not been laid on the table till about two o'clock in the morning and there had been no authority given for their distribution.

Hon. Sir FRANCIS HINCKS said this was his misfortune. Under the one system the law would have prevented the Government from using any of the specie deposited in the Bank of Montreal against the notes; under the other plan the Government could not have been prevented from doing so. The plan of the member for Lambton was even worse than that of the member for Lennox and was more unsafe. The aggregate specie deposit held by the Government under Hon. Sir A. T. Galt's scheme was thirty-three and a third per cent and in January last the circulation dropped to $8,834,000. The scheme of this gentleman who charged him (Sir Frances) with not providing sufficient security, would have used that money and caused a fall in the circulation. the whole scheme of the member for Sherbrooke was calculated to cause the Government to be continually speculating in Debentures, buying at one time and selling at another. By the scheme now proposed there was a fixed amount of Debentures which would be unavailable. The terms of the resolution were not obscure but it was infinitely safer to hold specie and a fixed amount of debentures.

Hon. Sir. A. T. GALT could not see how the second proposition of the Finance Minister was safer than the first proposition as stated by the Finance Minister. The first proposition was for the issue of seven millions, and required a specie reserve of 25 per cent of the issue. Now his proposition was for the issue of nine millions, with a specie reserve reduced to 15 per cent, of the debentures. With reference to the Act of 1866, he was not aware that he was any more responsible for it than the present colleagues of the Finance Minister, and if they were satisfied to be told that their Act did not secure the interests of the public he certainly should not complain. But a sufficient answer to that statement was, that no difficulty had occurred under that Act. Under that Act the amount of specie reserve was based on actual circulation, but the measure of the Finance Minister proposed to reduce specie reserves to 15 per cent, and that too of the debentures Government may happen to hold. People who held Dominion notes did not care to know how many debentures Government might hold, but how much gold Government had for every note issued. What better security was debentures than the notes themselves. It was a delusion to say that debentures were a safer basis for the amount of specie security than the amount of notes actually in circulation. It was the duty of this House to leave no doubt with regard to the security of those notes, because part of the security held by the Banks, was to be in these notes. If the Finance Minister would only put into plain English the amount of specie security he will hold for every dollar issued in notes, then the House would be prepared to say whether the amount of security was large enough; and he could not see why the Government should show so much reluctance to consent to do this.

Hon. Mr. TILLEY said that he could scarcely imagine why the member for Sherbrooke was so obtuse as he wished to appear. He would put a few propositions so as to arrive at the truth. He would ask the member for Sherbrooke if, under the proposal, five millions of notes were issued: if there were four millions of debentures and one million of gold, there was clearly here 20 per cent. of gold. If so, how could that be affected by an increase which was to be dollar for dollar? Suppose that after the circulation has remained at the five millions for a month, it was reduced to four millions and a-half, instead of the reserve of gold decreasing it would be increased.

Hon. Sir ALEX. T. GALT asked where the money was got to pay for the notes taken out of circulation?

Hon. Mr. TILLEY said out of the gold, but they were bound to hold 20 per cent of debentures, and to replace that gold to make up the amount.

Hon. Sir ALEX T. GALT asked if it was not possible debentures would be sold to provide the gold?

Hon. Mr. TILLEY said the gold would be taken out of the reserves in deposit. He did not think that any Finance Minister would fail so to guard himself, so as not to be compelled to sell debentures, whether it was suitable to the time or not. By the time the circulation got to from $7,000,000 to $8,000,000, the gold would fluctuate to an amount of from 22½ to 30 per cent. The reserve could not go below 25 per cent. of the debentures.

Hon. Sir A. T. GALT asked if it never occurred to him, that debentures would have to be sold, on which this percentage was based.

Hon. Mr. TILLEY said the circulation would have to be largely reduced before that happened. There was no difficulty under the old Act of keeping up $4,000,000, and if the Banks required to hold from 33⅓ to 40 per cent. of reserves, the debentures were less likely to come back. It was the general feeling of the House that there should be from 20 to 25 per cent. on circulation, (cries of yes on circulation) but it was better secured on the amount of debentures than on circulation.

Hon. Sir A. T. GALT asked for an explanation of that 25 per cent.

Mr. CARTWRIGHT could not understand how the scheme showed additional security to the one he proposed.

Mr. GIBBS thought if the Finance Minister who had been disposed to meet the wishes of the House were to promise, that the Bill when introduced, would have this particular clause to affirm the specific amount based upon circulation, rather than the amount based upon debentures, the House would cheerfully meet any amount he might place in that clause which he thought sufficient for the interests of the country. This would meet the difficulty the hon. members seemed to be labouring under. He thought it would be a very poor recompense to the country if any serious blunder had been committed, that the only redress we should have would be the impeachment of the member of the Government who had been guilty of such a course of procedure. It would be unsatisfactory to the country to know this would be the only remedy, after a vast amount of mischief had been done. As Banks were to hold Dominion notes, he thought it was highly important that the House should fix a minimum amount of of security to be held at all times. The Minister of Finance would be meeting the views of the House, if he would state the amount of specie he will hold shall be against circulation, and not against debentures. It would be far better for the public to see the amount of notes issued, and the amount of specie held against them for redemption, than that there was a large amount of debentures held against them. If the (Sir Francis) will not, then his (Mr. Gibbs) must say that he thought the amendment of the hon. member for Lennox did not go far enough to suit he (Mr. Gibbs') views. He desired to retain what was proposed to be retained in the original resolution—fifty per cent. upon the first five millions; 25 per cent. upon the next five millions, and then that the minimum shall never go below 20 per cent of the total amount of notes that may be in circulation at the time. He was surprised to see the hon. member for Lambton had come down to 13 per cent.

Mr. MACKENZIE said he merely translated the Finance Minister's proposition into intelligible English (laughter)

Mr. STREET said there seemed to be difference of opinion between the Finance Minister and other members of the House, as to the meaning of the resolution. It seemed to him to be an unfortunate thing, that they were sending out from this House a Bill on which they were not themselves agreed, as to the amount of specie that was to be held for the redemption of notes. It would so confuse and confound the country, that they could not ascertain definitely the security for the paper which was to form a circulating medium. He thought there was a want of definitiveness in the Finance Minister's resolution, and therefore he should grant the request the hon. member for South Ontario had made, and so shape his resolution that there could be no question about it, though he had no doubt of the security of a debenture, he did not think that was as good a security as gold (hear, hear).

Hon. Sir GEORGE E. CARTIER said the hon. member for Sherbrooke had alluded to the legislation of 1866 and said his, then colleagues, were also responsible for it. He (Sir George) accepted the responsibility and held that that law had done good service at that time.

Hon. Mr. HOLTON—Why do you attack it now?

Hon. Sir GEORGE E. CARTIER—well I am about to tell the hon. gentleman, but I cannot tell him all at once, (laughter). My tongue may articulate slowly, but I think it can do as much work as any man's tongue (great laughter). He regretted that his hon. friend (Sir A.T. Galt) had taken the course he had. A great deal had since 1866 been said against the Bank of Montreal, but the fact was, that Bank was the only Bank which understood its business. They accepted the measure, but all the other Banks would have nothing at all to do with it, but they afterwards would have to come in, but we could not take them.

Hon. Mr. HOLTON—Why did you not carry the measure through as introduced?

Hon. Sir GEORGE E. CARTIER—The Banks would not have it, they would not take the candy, (laughter). If the hon. member for Sherbrooke were Finance Minister now, he would not be in a position to offer Banks such terms as he did in 1866. His hon. friend (Sir A. T. Galt) was now trying to confuse the resolution now before the House.

Hon. Sir A. T. GALT—I want to make it clear.

Hon. Sir GEORGE E. CARTIER then went on at some length to explain the resolution, contending that it clearly expressed the intention of the Government, and that there was good security provided for notes to be issued.

Hon. Sir A. T. GALT—How much gold will you have if the circulation is eight millions.

Hon. Sir GEORGE E. CARTIER was not ready to go into calculation, but he was ready to answer that the Receiver General of the day would have to comply with the law, (laughter).

Hon. Sir A. T. GALT—By the Act of 1866 you could answer at once.

Hon. Sir GEORGE E. CARTIER said there would be a good deal of elasticity in the provisions of Sir A. T. Galt's scheme. There might be four millions at one time, six millions at another. He stated on behalf of his colleagues, that they were very grateful for the amendement of the member for Lennox. His amendment, except that it provided for a reserve of gold on the total issue, not on the debentures, it was a mere rearrangement of the clause introduced by the Minister of Finance, except also, that he had laid aside a very important provision which would oblige the Government of the day, before issuing any increase of gold, that they should pass an Order in Council. The hon. member said the Government could issue nine millions at once, instead of beginning modestly at five millions as proposed. He was doing useless service. The Government were perfectly satisfied with the explicit language of the resolutions, and had arranged that the debentures should be the basis upon which the reserve is to be held, and he (Sir George) could not see why this arrangement should be altered to suit the hon. member. Without giving any pledge on behalf of the Minister of Finance, he said that when the Bill which is to be based upon the resolutions is brought down, that the Government was not obliged to take the exact wording of the resolutions, and any alterations of grammatical consideration could then be made to meet the most scrupulous examination. He had no doubt that the Finance Minister would see that done.

Hon. Mr. CAMERON (Peel,) had listened attentively to the Minister of Militia, but did not think the matter was any clearer than before. The only clear proposition that he saw, was that of the member for Lambton, in which the reserve to be held was clearly defined. The resolutions of the Minister of Finance and member for Lennox, appeared to him, both to give a sort of fluctuating standard for reserves, between twenty-five and fifteen per cent. He believed the proper basis for reserves was circulation, and if the Government were not to adopt this basis, they would adopt some other which would be clear to the House and country. The only actual reserve fixed in these resolutions, was fifteen per cent. and, therefore, 15 per cent. is the required reserve. The whole difficulty was in reference to this fluctuation allowed. He could understand that the fluctuation was necessary if the reserve were upon the circulation, but if based upon debentures he thought it might be fixed at once. Unless some fixity was settled upon he did not see that the House was at all likely to get out of its present muddle.

Mr. CARTWRIGHT made some explanations in reply to the hon. gentleman.

The members were then called in, and a division was taken on the amendment with the following result: Yeas—59; Nays—91.

YEAS—Bechard, Blake, Bodwell, Bolton, Bowell, Bowman, Cameron (Peel), Cartwright, Chipman, Colby, Connell, Coupal, Currier, Dorion, Fortier, Galt, Geoffrion, Gibbs, Godin, Holton, Huntington, Joly, Jones (Leeds and Grenville), Kempt, Kierzkowski, Lapum, Macdonald (Cornwall), Macdonald (Glengarry), MacFarlane, MacKenzie, Magill, McCallum, McDougall (Renfrew), McMonies, Metcalfe, Mills, Morrison (Victoria, O.) Oliver, Paquet Pelletier, Perry, Pickard, Pozer, Redford, Ross (Prince Edward), Ross (Wellington C. R.) Rymal, Scatchard, Scriver, Snider, Stirton, Street, Thompson (Haldimand), Thompson (Ontario), Tremblay, Wells, Whitehead, Wright (Ottawa County), Young—59.

NAYS—Anglin, Archambeault, Archibald, Ault, Beaty, Beaubien, Bellerose Bertrand, Blanchet, Bown, Brousseau, Brown, Burpee, Cameron (Inverness), Campbell, Carling, Caron, Cartier, Casault, Cayley, Chamberlin, Chauveau, Coffin, Crawford (Brockville), Crawford (Leeds), Dobbie, Drew, Dufresne, Dunkin, Ferguson, Ferris, Fortin, Gaucher, Gaudet. Gendron, Grant, Gray, Grover, Hagar, Heath, Hincks, Howe, Huot, Hurdon, Irvine, Keeler, Killam, Lacerte, Langevin, Langlots, Macdonald (Kingston), McDonald (Antigonish), McDonald (Lunenburg), McDonald (Middlesex), Masson (Soulanges), Masson (Terrebonne), McCarthy, McConkey, McDougall (Three Rivers), McGreery, McMillan, Morris, Morrison (Niagara), Munroe, O'Connor, Pinsonneault, Pope, Pouliot, Ray, Read, Renaud, Robitaille, Ross (Dundas), Ross (Victoria N. S.) Ryan King's N. B.), Ryan (Montreal West), Savary, Shanly, Simpson, Smith, Stephenson, Sylvain, Tilley, Tupper, Wallace, Walsh, Webb, White, Willson, Wood.—91

Mr. BLAKE said, with all the explanations that had been made, he confessed he could not understand the Government's intentions. He was told that it was extremely inconvenient to have the gold reserve based on circulation, and that there should be a fixed amount in proportion to the debentures; yet the debentures fluctuated and it was desirable to see how this would operate. He was told that this was a point of absolute safety.

Hon. Sir FRANCIS HINCKS—Yes, $8,000,000.

Mr. BLAKE—Then when the circulation got to $4,000,000, there was no need of a gold reserve. If not below, what sum is the point of absolute safety at which nothing need be done, but above which something is required for security? He believed there should be an intelligible proportion between specie and the notes in circulation, and he therefore moved that the resolution be referred back to the Committee, to insert a clause providing that there should be a specie reserve proportional to the Dominion notes outstanding.

Hon. Sir FRANCIS HINCKS said the member for West Durham admitted that the circulation of Dominion notes was represented by either debentures or specie. Mr. BLAKE said by both.

Hon. Sir F. HINCKS said well, by both. It was perfectly obvious, that if the amount required to be held was in proportion to the debentures, it was also held in proportion to the circulation. Take a circulation of $5,000,000 so often referred to. It was obvious that 25 per cent. on debentures was equal to 20 per cent. on the circulation. But if the reserve was held in reference to the debentures, it allowed for those fluctuations which were always liable to take place, and which hon. gentlemen opposite did not appear to calculate on. When they talked of fixed rates, because an amount that might be safe at one time, might not be safe at another, and it would not be maintained that the same fixed amount would be as safe when the circulation was $6,000,000, as when it was $5,000,000. The hon. gentleman had sneered when the Minister of Agriculture had said, and said rightly, that there was a point of absolute safety. Yet the Government of Great Britain had fixed a point of absolute safety, beyond which all the issue must be represented by gold. The Government were taking the small note circulation, and the chartered Banks were to hold a portion of their reserves in Dominion Notes, which *quoad* the Government were in circulation, and were used in paying the balances between the Banks. He held that the present resolution gave greater security than the Bank Act passed by the member for Sherbrooke, when a member of the Government, as he believed he had shown without attacking that Act. The balances in the Bank had ranged from $27,000 to $711,000 in five months. Under his scheme these amounts would be held in specie, while under the old Act that could have been used by the Government. The member for Sherbrooke had asked what amount of gold would be held when the circulation was $8,000,000. Why it would be $4,000,000, unless they had occasion to issue debentures, under the stringent regulations that had been provided. The hon. gentleman opposite had been arguing all the time that there would be an amount of circulation far above what he had ventured to calculate. It was said the circulation would be something like $12,000,000. If it turned out that there should be a large circulation, it should be recollected that the maximum amount it was possible to issue was only $7,000,000, and no prudent Government would issue such a sum in debentures if there was only $8,000,000 in circulation.

Mr. BLAKE said they wished to guard against imprudent Governments.

Hon. Sir FRANCIS HINCKS said, that taking $4,000,000 as the point of safety, with the small notes in circulation and the deposits bound up, the power he sought was not too much to ask. The gentlemen opposite were pleased to be sarcastic about the language in which the resolution was expressed. They might be very obtuse, but he found no difficulty in understanding them. The ground of attack was a very plausible one, that the gold should hold a proportion to the issue and not to the debentures, but it was only plausible.

Hon. Sir A. T. GALT said that the Finance Minister had undertaken to answer the question he had put to the Minister of Militia, as to the amount of gold when the circulation was $8,000,000, and said it would be $4,000,000. When the circulation rose from $5,000,000 to $8,000,000, with $4,000,000 each of debentures and gold, it would seem that greater precaution would be necessary when the circulation reached $9,000,000. But as soon as the public returned six millions out of this, instead of having the $4,000,000 when they came back to the $8,000,000, it seemed to him they would only require to hold 15 per cent, of gold. He insisted that they should fix some standard.

It being six o'clock, the House rose.

AFTER RECESS

The vote was taken on Mr. Blake's amendment, with the following result:—Yeas, 53; nays, 62.

YEAS—Bechard, Blake, Bodwell, Bolton, Bourassa, Bowell, Bowman, Cameron, (Huron,) Carmichael, Cartwright, Cheval, Colby, Connell, Currier, Dorion, Fortier, Galt, Geoffrion, Gibbs, Godin, Hagar, Holton, Huntington, Joly, Kempt, Kierzkowski, Macdonald (Cornwall), Macfarlane, Mackenzie, Magill, McCallum, McDougall (Renfrew), McMonies, Merrit, Mills, Morrison (Victoria, O.,) Oliver, Paquet, Pelletier, Pickard, Pozer, Redford, Ross, (Prince Edward,) Ross, (Wellington, C. R.) Rymal, Scatcherd, Scriver, Snider, Stirton, Street, Thompson, (Haldimand,) Thompson, (Ontario,) Tremblay, Wells, Wright, (Ottawa County,) Young.—53.

NAYS.—Archambeault, Archibald, Ault, Beaty, Bellerose, Benoit, Bertrand, Blanchet, Bown, Caldwell, Cameron, (Inverness,) Campbell, Caron, Sir Geo. E. Cartier, Casault, Chamberlin, Chauveau, Crawford, (Leeds,) Daoust, Dufresne, Dunkin, Ferguson, Ferris, Gaucher, Gaudet, Gendron, Sir Francis Hincks, Holmes, Hurdon, Irvine, Keeler, Lacerte, Langevin, Lapum, Lawson, Le Vesconte, Sir John A. Macdonald, (Kingston,) McDonald, (Middlesex,) Masson, (Soulanges,) Masson, (Terrebonne,) McConkey, McMillan, Morris, Morrison, (Niagara,) Munroe, O'Connor, Perry, Pinsonneault, Pouliot, Read, Renaud, Ross, (Champlain,) Ross, (Dundas,) Savary, Shanly, Simpson, Sylvain, Tilley, Wallace, Webb, Willson, Wood.—62.

Hon. Sir A. T. GALT, with reference to the last resolution, that he could not approve of doing away with the system of inspection, and would like to divide the House on that resolution.

By general consent the resolution was declared carried, on division.

Hon. Sir FRANCIS HINCKS introduced a Bill based on that resolution.

Hon. Mr. LANGEVIN moved the House into Committee on the Bill to extend the powers of the Official Arbitrators in certain cases therein mentioned. He explained that the Bill had been amended to make it applicable only, to cases since 1867, and applicable to other departments that Public Works.

Hon. Dr. TUPPER suggested that any claims arising anterior to 1867 should be referred to this Board by consent of the parties.

Hon. Sir A. T. GALT agreed with the suggestion.

Hon. Col. GRAY objected to such a proposal. He thought any such claims should be settled in the various Provinces.

Hon. Mr. CONNELL objected to such a proposal also, as provision had already been made for such cases in New Brunswick.

Hon. M. TILLEY said that it had not been proposed originally to go beyond 1867, and he agreed with the member for Carleton as to its prejudicial effects in such cases as he had mentioned.

Mr. MILLS argued that there was no need for such a Board, as the arbitrators did not possess the confidence of the public, and he thought the cases should be decided by the Supreme Court.

Mr. CASAULT thought that cases anterior to 1867 should be decided as previously.

Hon. Mr. SMITH (New Brunswick) said by a law in New Brunswick there had been already power given to claimants to appeal to the Court; and, besides, he did not see how this Parliament could arrogate power to settle claims to be settled by the Provinces. He was, however, in favour of the Bill, as it now stood, confining the cases to those subsequent to July, 1867.

The Committee then rose and reported the resolutions as amended, and the Bill was read a first and second time, and to be read a third time to-morrow.

It was announced that the Election Bill would be taken up on Thursday.

Hon. Sir F. HINCKS moved the consideration of the Public Accounts to Committee.

Mr. MACKENZIE moved the consideration of the statement of defalcations in the Departments to the same Committee.

In answer to Mr. BLAKE,

Hon. Sir JOHN A. MACDONALD said it was not intended to introduce a Bill respecting the Government of Rupert's Land, as a deputation was effected.

Hon. Mr. HOLTON asked when it was probable the Session would terminate. Already they were in the sixth week, and the Budget, the really initial step to the more serious business, was not down yet.

Hon. Sir FRANCIS HINCKS said he expected the Estimates would be printed immediately, and he would make no delay thereafter.

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