

Mr. W. D. STAPLES (Macdonald). I do not wish to make lengthy remarks on this important subject which has been brought before us by the hon. member for Cornwall (Mr. Pringle), but as it is of peculiar interest to our western people, I feel it my duty to read a resolution which was passed by the Grain Growers' Association of Manitoba. I have listened with a great deal of interest to the able arguments made by my hon. friend. His address has been both interesting and instructive, and no doubt will have a good effect. The resolution I desire to read was passed at the annual convention of the Grain Growers' Association of Manitoba, held in Brandon on the 17th January last:

Whereas during the recent financial stringency the western farmers sustained great loss in the sale of their wheat being compelled to take very much less for it than prices in foreign markets warranted, and

Whereas this condition was caused by the unwillingness or inability of the banks to furnish the usual lines of credit to meet the requirements of exchange, and

Whereas the business of the country is conducted on a system of credit which increases the facility with which manufacture, production and exchange are carried on, many millions beyond the small percentage of money used, and the amount of money upon which our whole business structure is based, and

Whereas the carrying on of manufacture, production and exchange depends on the extension of bank credits to them at certain seasons, and

Whereas these banks themselves acquire the means of granting those credits largely from the money of their depositors, and whereas in loaning their deposits the banks rely on the probability that only a certain part of the deposits will be called for by the depositors at any one time, and whereas any disturbance in financial circles or business enterprises which creates a want of confidence in our business structure or moneyed institutions, results in these institutions calling in their loans and increasing their reserves in order to prepare for the worst, and in depositors withdrawing their money from the banks to hoard it until the trouble is over, thereby withdrawing a large amount of money from circulation at the very time when it is most needed, thus demoralizing industry and causing hardship and inconvenience,

Therefore, as manufacture, production and exchange, the business of our country is largely conducted on credit based on confidence, we, the Manitoba Grain Growers' Association, in convention assembled, would strongly urge the Dominion government to so amend the present Bank Act, as will tend to promote confidence at all times in our moneyed institutions, and consequently in legitimate business enterprises, and would respectfully suggest as a partial means to this end, that provision be made in the Bank Act for a depositors' security fund, to be raised by a small tax paid by the banks upon all deposits, somewhat similar to the bank note redemption fund. The government to stand behind this fund, guaranteeing all deposits. The government would be perfectly safe as it would have

the fund, the assets of the banks, and the double liability of the shareholders as security. The fact of the government being behind the banks would prevent a withdrawal and hoarding of deposits, and would enable the banks to keep all available funds in circulation to promote the legitimate business enterprises of the country.

This resolution gives the opinion of the western people. Last year, when we had a rather ticklish crop to handle, a crop that was damaged somewhat by the early frost, our western farmers found great difficulty in obtaining the advances they had been accustomed to get in previous years. In previous years a farmer could go to a bank and get all the money he required for temporary purposes on a warehouse certificate or a bill of lading, but last year the circumstances and conditions were entirely different. I know of farmers who went to a bank and made the propositions they had made in previous years, but could not get a dollar. The resolution I have just read explains the opinion of the farmers who have given this matter much consideration. They have discussed it from every standpoint, and when they met in convention in Brandon the resolution I have read was the outcome of their deliberations on this very important subject. I hope that the Minister of Finance will be able to work out some system that will be in the interest of the western farmers. I am sure that the suggestions that have been made by my hon. friend from Stormont will assist the Minister of Finance in working out improvements in the Bank Act, so that the best interests of the western people may be met in this particular.

Hon. W. S. FIELDING (Minister of Finance). We have established in Canada the practice of revising or reviewing our Bank Act once in ten years. That does not necessarily mean that in no case during the interim should any amendment be made, but I think I may fairly say that it does mean and should mean that we should not make changes during the interim except in cases of emergency. It may be that before the session closes I shall have to invite the attention of the House to some special matter where the Act might need amending. But I certainly would object to enter in this present year upon that wide revision which is suggested by the hon. member for Stormont (Mr. Pringle). The bank charters will all expire in the year 1911, on the 1st of July. Probably in the session two years hence we shall have to revise or review the Act, gathering up whatever we may from the experience from the past ten years, and gathering whatever we may from the suggestions which have been offered by hon. gentlemen to-night, and then amend the Act in the light of all our knowledge. But in the meantime I would suggest that only in some urgent matter should we enter