

Minister of Finance under the Orders in Council already passed and confirmed by this legislation. Bankers are not ready to give colour to the suggestion that they must go outside the resources which come to them in the ordinary run of business to procure funds for their businesses, and, as I have said, there appears on the part of all bankers a disposition not to take advantage of the facilities which have been offered through the medium of this legislation.

The present conditions are most abnormal. We have during the past three weeks seen that the strongest countries, financially, in the world have found it necessary to postpone the payment of debts. The moratorium has come into general use among combatants. When even countries like Denmark, entirely outside the conflict, find it necessary to postpone the payment of obligations, an abnormal state of affairs is exhibited such as has never been experienced before in financial history and which is the justification for the different emergency provisions which we are now legalizing.

At such a time our Government has undertaken to utilize the existing banking system to safeguard security and facilitate the routine business of the country, instead of postponing debts and adopting other expedients giving direct relief to a perplexed and harassed public.

The Government should guard against the disposition of the banks not to come to the Government for assistance. Bankers are expected in a time of distress like the present, with the credit facilities thus provided for them, not only not to curtail credit, but, wherever the security offered is sufficient, to increase their credit facilities to the point of satisfying the necessities of every solvent borrower who is ready to engage in sound and profitable productive labour, providing enterprises which are necessary to the normal life of the community. I do not refer to unnecessary or capital expenditures. These can and must largely wait until the crisis has passed.

I do not know whether the information regarding restricted credit as given by the hon. members for Guysborough (Mr. Sinclair) and Carleton (Mr. Carvell) is quite correct.

Mr. CARVELL: It is correct.

Mr. McCURDY: If that is so, I think that the minister must draw the attention of bankers to it in the most forcible possible way and see that such hardship shall

[Mr. McCurdy.]

not be put upon borrowers. The effect does not stop with the merchant or manufacturer whose credit is curtailed, but falls on the head of his employee.

In order to prevent undue unemployment during the coming winter, which is sure to be severe enough in any case, such machinery as has been provided by the Administration should be fully availed of.

In making these suggestion I allude only to the most solvent and sound concerns who ask for credit. There has been a good deal of inflation in Canada in the past four or five years, and overlending, as I pointed out when the Bank Act was up in the Banking and Commerce Committee. There has been, and there will necessarily continue to be, a severe trying out. That will continue, and we shall doubtless in the early future see the removal of further unsound factors in the business community of Canada. It is in cases where the operations to be undertaken in manufacture or otherwise are sound and certain to result profitably and to turn over quickly that these credits should be extended.

Should credit suffer by reason of the facilities provided by the Government being allowed to be unused, it will be the duty of the Government to adopt some more direct means of enabling manufacturers and merchants to obtain credit facilities, even should that means be along lines of practice heretofore considered unorthodox in this country.

Bill reported.

Mr. WHITE moved the third reading of the Bill. He said: I understand that the hon. member for South Renfrew (Mr. Graham) asked a question in connection with this Bill as to the basis of valuation of securities of insurance and other companies. Under the Insurance Act, for the purposes of the annual statement, the market values of stocks, bonds and debentures shall be taken for the purpose of determining the company's total assets. I may say to the House that last year we had an independent valuation made by experts of all such securities, and these valuations were embodied in the report of the department. At the present time there cannot be said to be any market values, because the exchanges are closed, and the ordinary means for determining market values are disorganized. In the event of this condition of affairs continuing until the end of the year, the department has under consideration the advisability of adopting the following method of dealing with securities. For