

ties as were approved by the general manager of the Bank of Montreal, the general manager of the Merchant's Bank and the Deputy Minister of Finance. At that time the reason given for the advances was that the banks might be in a position to move the western crop.

Mr. CARVELL: I think the Minister of Finance is taking a wise course in putting the banks in a position to control more funds, if necessary. But I should like, if possible, to throw some safeguard around the borrower, to insure that he shall be used as well by the banks as the banks are used by the minister. I do not wish at this time to throw any aspersions upon the good intentions of the banks, but I wish to assure the minister that there is not a member of this House coming from the outlying portions of Canada but has seen up to this time a pretty severe tightening of the purse strings of the banks; not only the refusal—I grant you in a very gentlemanly manner—to make advances, but a pretty strong pressure applied to the ordinary borrower to make payments and make them as rapidly as possible. I realize that it is private money which the banks are handling to a great extent, and yet the position is that the banks control all the spare money in the Dominion of Canada. We all know that if we deposit \$100 in a savings bank to-day it goes into one of the chartered banks to-morrow. The chartered banks have control of all the money in Canada; they are the only persons to whom we can go for money. I have a lively recollection, indeed, of the condition of affairs that existed in 1907, when the Government of the day assisted the banks to some extent. I have always felt that the banks took advantage of the condition of affairs in order to make capital or to make dividends for their stockholders. We realize that an emergent condition of affairs now exists in Canada such as has never existed in our time, and such as we hope will never exist again. The country is making great sacrifices. Parliament is assembled, and has ungrudgingly voted every dollar which the Government has asked for, and has passed every bit of legislation which is required to meet the circumstances. Every person in Canada, in so far as it is in his power, is willing, I believe, to make all necessary sacrifices in order to carry out the work which is to be done, and to place the Government in a position to see that we do our share towards bringing this struggle to a successful issue. Under these circum-

[Mr. W. T. White.]

stances I see no reason why the banks of Canada should not be willing to make sacrifices as well. I see no reason why the Government should not lay down a rule—I should almost like to see it on the statute books—preventing the banks from charging more than a certain rate of interest on loans. You may say that this is a drastic proposal. With that I agree; but these are times when drastic measures are necessary. We are giving the Government drastic powers; we are all making sacrifices, and there is no reason, so far as I can see, why the holders of bank stocks should not make sacrifices just as well as ordinary individuals. I accept the words of the minister in toto; I believe he is doing all in his power to regulate the conduct of the banks. Nor have I any reason to doubt the bona fides of the banks when they tell the minister that they are trying to do things properly. So far as I am concerned, however, I should like to see a little more power taken by the minister, in order that he may see that the banks are compelled to lend money to the people without making an undue profit. The banks should not be allowed to make more than a reasonable profit. If we are lending the banks money at five per cent, surely six and one-half per cent or seven per cent should be the maximum rate which they should be allowed to charge the people. Even though it may seem that this is a drastic procedure, I wish the minister would take it into consideration. I believe that the whole commercial body of Canada will stand by him and applaud him if he will take steps to see that the people are able to get their credits and get them as cheaply as possible.

Mr. A. K. MACLEAN: I have seen it stated in the press that there was an application on behalf of the producers of bullion silver to have that approved as a security upon which Dominion notes may be issued under the provisions of this section. There may be something to show in favour of it; at any rate, I rise merely to inquire of the minister whether that matter is under consideration.

Mr. WHITE: The matter has been drawn to my attention. It is not the view of the Government that Dominion notes should be issued against silver, because we have been and expect soon again to be upon a gold basis. In connection with the arrangement which has been made with the banks, it would be open to the bankers of silver-producing companies to take the notes of