
THE WAR AND OUR BANKS

temporary measures of relief which in other countries work to perfection.

Irritating as the attitude assumed by many bankers has been, it serves a useful purpose in proving anew the wisdom of the new federal reserve banking and currency system. When that goes into operation a few weeks hence, there will be no further monopolization of money and credit in the United States. Those who are playing the old game now are positively having their last innings.

What The New York Herald says of our neighbors can be said with much more force of the Canadian banks who have failed to take advantage of the facilities placed at their disposal by Parliament for "financing business," to use the pointed phrase of Lloyd George. In fact, the governments of England, of the United States and of Canada have been more than willing to help to finance business and have put means at the disposal of the banks of their respective countries; but have in each case found banks not disposed to do what the Governments thought they should do. What happened in the United States was that before the half a billion of emergency currency in the way of national notes was created by Congress, the banks were all in league to put up the rate of interest and to make dear money, and when Congress improved the emergency currency Act and made it effective, there suddenly appeared to be a reduction in the rate and a more generous treatment of the public. But do what he will, the Secretary of the Treasury has found it hard to get the banks to take the emergency currency of the Government and loan it to their customers.

As an illustration of the situation in Canada, we also propose to copy an editorial from a Western Canadian paper:

Regina Province, Sept. 21: To relieve debtors by legislative means (moratorium) practically causes a suspension of business, and it is not that, but stimulation of business, which is required. So long as there is a moderate volume of business transacted, there will be little unemployment, and anything in the nature of a moratorium will not be necessary. Therefore, to stimulate and improve business should be at the present time the chief object of Governments, both municipal, provincial and federal.

Means by which this end can be accomplished are many, and he would be a bold man who would undertake to say which would be the most effective and suitable. The Dominion Government has already recognized this, as is shown by the steps it took to strengthen the position of the banks, with the intention of using the banks to extend