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### THE BANKS AND THE PEOPLE.

In the course of the short debate in the House of Commons on the third reading of the Bank Act, a speech was made by Mr. H. R. Emmerson which is interesting as a temperate expression of the views of one to whom the course of the present revision of the Bank Act has been by no means satisfactory. Mr. Emmerson's speech elaborated the idea that the banks have not got the confidence of "the people," not as regards their stability or good faith, but "with respect to the great powers which they have as a monopoly in this country," and he argued that there should have been a full enquiry into the circumstances surrounding the management of the banking institutions prior to the passing through Parliament of the new Act.

It would be more satisfactory if, in discussing a matter of this kind, there could be at the outset definitions of the terms used. Who are "the people" that Mr. Emmerson alludes to? If he means the term to include the whole body of intelligent inhabitants of the Dominion, then we think that he is entirely mistaken in the idea that the great bulk of them have not confidence in the banks either generally or in regard to the particular matter which he indicates. So far as the evidence that has come under our notice goes to show, the great majority of Canadians are thoroughly satisfied with the existing banking system. That there are those who are not satisfied with it, we willingly admit. But they will, we fancy, be found to come within one of several categories and to aggregate a mere fraction of the people as a whole. They will include all the theorists and visionaries whose self-confidence is only equalled by their stupendous ignorance of practical affairs; those who have an overwhelming passion for "reform," and are in too much of a hurry to consider whether their remedies may not be worse than the alleged disease; and those curious personalities who have a sort of temperamental prejudice against financial institutions, especially large financial institutions, as those other people who are always "agin the Government" may be said to have a temperamental prejudice against Governments. Then at the present time there would be added to those mentioned a certain number of disgruntled borrowers,

each nursing a grievance against the banks generally because one of them—most likely very properly—refused to let him have as much money as he wanted, together, probably, with a number of people affected by the Farmers' Bank failure, who having lost their money in a bank which was dishonestly managed, may be excused if their ideas regarding the other banks are a trifle crude. If Mr. Emmerson will put together the number of the various people in Canada who come under these headings and add to them the self-styled friends of the people on the platform and in the press, we fancy he will find his army of discontent a mere handful of "the people."

Even if there were an amount of popular discontent with the banks sufficient to justify an exhaustive enquiry into the whole Canadian banking system, there could hardly be a worse time than the present for the taking of such a step. A time when the whole country is in the grip of tight money and the problem of providing for the needs of the Dominion from day to day is taxing the energies of all those who are responsible for the maintenance of the country's credit and the guidance of its financial development is no time to start an unsettlement of the financial basis upon which the country has been developed and its business built up. To begin an investigation of that kind would merely be to invite suspicion from abroad that things were not well with Canada and to induce a condition of mind among investors abroad, which might have serious results for the Dominion.

But in fact we are convinced that the allegation made that the banks have not the confidence of the people of Canada, both generally and in regard to the particular matter mentioned by Mr. Emmerson is not a true diagnosis of the situation. The banks may have great powers, but equally they have great responsibilities. And we believe that they are both utilizing their powers and discharging their responsibilities in a manner, which broadly speaking, is for the benefit of the whole country, to whose building-up they have made and continue to make no small contribution. This is not to say that the banks never make mistakes, but it is to affirm that in our view there is no necessity for a reconsideration at the present time of the basic principles upon which the Canadian banking system has grown up in the confidence of the people.