

"although comforting to the individuals who secured the gold.

"(2) The banks would have been able under the Bank Act to issue the usual emergency circulation for crop-moving in September, and this date was set back to August.

"(3) The Government raised somewhat the limit for that part of its legal tender issues which is not entirely based on gold.

"(4) The Government undertook to make loans to banks on approved security in order to aid them in carrying on the business.

"At that moment no machinery existed by which Canadian banks with call loans or actual cash, in either London or New York, could use such resources to pay debts in Canada."

The action of the Minister of Finance on this occasion was commendable. It gave confidence to the country and prevented any large withdrawal of funds from the banks, and if the bankers had kept faith with the Government and the public, all would have been well, but the temptation was too great for them. There were hundreds of millions of gilt-edged stocks owned by the Germans that were being sold at any price that could be obtained, and the bankers had the grain business at their mercy. In addition to this they were large stockholders in most of the manufacturing enterprises of the country, and when the bankers saw that the public generally were going to loyally support the situation and not harrass the banks, their avaricious instincts overcame their moral scruples, and they used the extraordinary credit that the Government had given them for their own benefit. But in order to do this, they had to deprive some others of the credit the Government had given them to distribute.

In doing this, it was natural that the ones selected were those who were the least able to protest or strike back, namely, the retail merchants and the farmers. Three days after the Government had guaranteed the notes of the banks to an unlimited amount so that the business of the country could be kept in a normal condition, the manufacturers and