

**Based on National Currency Instead of Bank Notes, and
on the Principle of Rediscouinting by a Great State
Bank Using This National Currency---Stop
Watered Stock and Call Loans.**

Call Loans on Stocks.

In Canada with the commitments that we have and confronted as we are, this means simply that the country has to find the means by which we have means of increasing the resources of the government for war and for ordinary purposes, but we must also find the means to supply the banks with sufficient currency to carry on their business. It might be said that our banks can do this. Can they? Is the government today, in the face of the situation, able to go to the banks for country assistance? Our banks have a total of total available assets one thousand five hundred million dollars. Yet apparently the minimum assistance today that they need no prospect of getting money from the banks for the special requirements which he has referred, but that he must go to the borrower and that he must get it. That is probably the right course to pursue; but does this household and this country know that of the one thousand five hundred million dollars of assets, only \$100,000,000 are loans outside of Canada and \$67,000,000

The United States had to finance itself in times of stress and trouble by means of national notes. For a while, however, the country was able to get by. I can remember when what was called "gold" was quoted at \$160. That is, if you had \$160 in United States notes, you could get one ounce of gold. But those notes came to par and then more. The gold price rose to \$350 an ounce. The best money in the world today. To my mind, that is the only currency really suitable to the conditions of the modern country.

The Banks Afraid of Depositors.

Now, let me tell the house and the country what is the actual condition of business in the banks today. The banks are organized largely on the deposit of the people, and if the manager of a bank—I can not bore how large it is—how great is its capital—finds himself growing richer and the depositors have withdrawn deposits, the manager is much concerned. In cases where the banks actually sent out to the branches all the money they had in the country that they must go slow on the

tribution in a large measure to most satisfactory financial conditions, with one outstanding exception—the banks.

It would strengthen them.

Sweeping Changes Needed.

If we have not grown as fast as should have grown, it is because our banking and currency laws do not keep pace with the changes that have come. I give the minister credit for relying on national notes to help him out of this emergency, and I give him credit also for his proposal to issue national notes for any amount above certain securities. But that policy should be not an emergency provision; it should be the bold and sure policy of the central bank. The banking system shall be based on the principles adopted by other and modern countries, especially in old-fashioned England.

It is the duty of the government of ours in the way of helping industries and obviating unemployment; yet we have gone on with this old system of banking and currency laws, and claimed credit for upholding the credit of the country and doing everything

rent, in taking the wide powers that have been granted to him, to say that advances made by the banks for carrying stocks on margin shall not be allowed. Are we kidding in this session close the banks' savings banks for the extent of \$200,000,000 of the banks of this country a speculative purpose for the United States, is to be ordered back if it is not again used for that purpose and responsibility to do this is on the government. The banks will not powers; let them take other steps to stop it. They see the destruction that has been wrought. Let anybody go to the banks of the United States or the towns of Canada and see the distress that has been wrought, how profits made out of real estate or have been made out of the banks have been dissipated in years gone by and the profits that have been made in Canada have been drawn into the market of the United States. The street and on our stock exchange will protest on behalf of the people.

incorporation to go forth unless it has been passed and been approved of by the competent board created by the Department for that purpose.

during the present war, but the Germans continue to indiscriminately scatter mines in direct contradiction of the Hague convention.

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