

and simple enough in scope, and political opponents were stilled by the vastness of the issues at stake. Thus measures which seem curiously novel were judged mainly by what they accomplished, and this, as was almost universally evident, was immeasurable good. It is not too much to say that Great Britain saved at least the whole Western world from financial ruin by her prompt and highly intelligent actions.

I need hardly remind you of the action taken in Canada. Our affairs are small compared with those of the great financial powers, but our gold supply is as important to us as that of Great Britain or Germany is to them. It was necessary to prevent the hoarding of gold and also to prevent the lack of currency with which to do business. Practically within twenty-four hours the Minister of Finance had made the following arrangements:

(1) For the first time in the history of Canada, banks were empowered to pay their debts in their own notes. When these notes reached the clearing house, however, they were redeemed in Government legal tenders or in gold. The notes were not, as many people suppose, made a legal tender as between individuals, and the main object of this arrangement was to prevent people from securing actual gold coin in order to hoard it, a process which would have been ruinous to the nation as a whole, although comforting to the individual 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 of the country.

At the moment when these measures were put into force no Canadian bank having either cash or call loans in either London or New York could use a dollar of these resources to pay debts in Canada. If a cargo of grain were sold by a Canadian shipper to England, he could only obtain payment by