

and if our people, of their own option, and without compulsion, choose to deposit a very considerable amount of money—sixty millions or more—in the post office savings bank at a low rate of interest, I do not see why the government should deprive them of the right of doing so, and I do not know that any great advantage would result from throwing that money into the general market. My hon. friend is not, perhaps, aware that we have in one shape or another, taking into account our banking capital and reserves, deposits and circulation, something like eight or nine hundred million dollars available for carrying on legitimate banking operations. My own impression is that that is sufficient for our needs, and if there is difficulty, if there has been trouble, it has arisen to a very great extent from the fact that a very considerable amount which ought to have been invested only in ways that it could be easily returned, has been put in on one pretext or another to plant and fixed capital which it is not the business of the banks to supply.

Hon. Mr. LOUGHEED—That is the same trouble with the government.

Hon. Sir RICHARD CARTWRIGHT—But the government are not expected to supply the mercantile community with money to carry on their operations. The government's duty is to carry on the business of the government of the country, and if certain great public works require also to be carried on, to find the means required. The banks, as I understand their business, and as their charters would seem to indicate, are vested with large powers; are permitted to issue notes with certain restrictions and are given certain privileges for the purpose of supplying what might be called the fluid needs of the mercantile community, and if there is trouble in this case—and trouble I admit there has been although I hope it will pass off sooner than my hon. friend seems to think it will—that has occurred largely from the fact that the banks have put a considerable amount of the means at their disposal into fixed capital and engagements. That I think he will find to be the primary cause of any trouble that now exists, although we cannot hope that when such a convulsion as has overtaken the United States within the last

Hon. Sir RICHARD CARTWRIGHT.

two or three months occurs close beside us that we will not suffer to some small extent from the reflex action. But here I may take occasion to remark, and the thing is worth noting, that whereas twenty or thirty years ago such a disaster as has occurred in the United States would have most seriously and materially affected the prosperity of the people of Canada by reason of the fact that they were almost their sole customers for a great portion of the goods we produced, that partly owing, I think, to the injudicious legislation of the United States, our relations with them have been so altered that no matter how grave misfortune that may overtake them it will not affect us one-fifth or one-sixth part as injuriously as it would have done 30 years ago. Canada to-day is much better able to stand on her own feet than Canada was then, and that is a thing which our people may very well bear in mind. Not a single bank in Canada that I know of has shown the slightest symptoms of being seriously embarrassed under circumstances which have, as you perfectly well know, led to something very like suspension of specie payments from one end of the United States to the other and the people of the United States at this moment are looking with envy, I might say, and certainly with wonder at the remarkable stability that has been shown by Canadian institutions in passing through this extraordinary crisis.

The hon. gentleman alluded to the reference to which notice has been given in this speech, of certain matters in dispute between the United States and ourselves and Newfoundland to the Hague Tribunal. With respect to that, he is perfectly aware that until these papers come down it would not be possible or desirable for me to enter at any length into an explanation of the reasons which have induced us to take this step. All I can say to the hon. gentleman is this, that he must be aware that for very many years, probably ever since the commencement of last century, certainly ever since the war of 1812-14, these fisheries and the questions arising from them have been a source of constant friction and annoyance to the British government and to ourselves as well as to the United States; that over and over again the peace subsisting between the two countries has been