

country turned into an exodus out of it. As the stream of people leaving the country increased, the banks kept withdrawing more and more money. At the breaking out of the War they had so much money loaned on stocks that when the door of the Stock Exchange closed, locking up these funds, they were afraid to proceed with their business for fear they could not meet the demands of their depositors, as some people would withdraw their deposits in fear, and many would want to speculate on account of the rising market. In this predicament they went in a body to the Government for assistance. Sir Edmund Walker, in a speech to the stockholders of the Canadian Bank of Commerce in the following January, after describing the general situation, had this to say about the condition of affairs in Canada, and what was done to relieve it:

**Quotation from the Speech of Sir Edmund Walker to the
Stockholders of the Canadian Bank of Commerce**

"In Canada, while the issues were smaller, they were of
"the most profound importance to us, and we can never be
"too thankful for the high intelligence and the quickness
"of action of the Minister of Finance. Our gold supply is
"not important in amount as compared with that of the
"greater nations, but its preservation is vitally important
"to us. To convince people that the hoarding of gold was
"unnecessary, and in any event to make it nearly impos-
"sible, was part of the task here, as it was in England.
"One of the most effective means of accomplishing this was,
"as far as possible, to make sure that the inevitable result
"of war in curtailing business would not be intensified by
"a lack of currency with which to carry on our daily
"affairs. The arrangements proposed by the Minister of
"Finance, approved by his Government and put into opera-
"tion all within twenty-four hours, were as follows:

"(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 supposed,
"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,