

respect to the legislation of Great Britain for the reason that Parliament there has legislative authority over every subject, and there is no division of jurisdiction as there is here. I do not believe that my hon. friend and I see this matter in very different lights. If he has it in mind that it would be my view that the Dominion can pass a law under which indebtedness of every kind whatsoever throughout the Dominion could be postponed, I would say to him at once that the Dominion in my opinion has no such jurisdiction. We are discussing a legal question which is fairly clear in some of its aspects, but which in other aspects presents difficulties, whose solution would depend upon judicial decision.

Mr. DEVLIN: Have the law officers of the Crown advised whether such a moratorium would affect deposits in banks?

Mr. WHITE: I have not asked the law officers of the Crown specifically as to that matter, nor have I considered whether the proclamation might apply to that or not. As a matter of fact I think that general legislation should be had and once it is adopted the Dominion Government could in any emergency that might arise act after taking the advice of its legal officers as to the legality of its action.

Mr. W. F. MACLEAN: In regard to sub-clause (a) I would like to ask whether the minister takes control of the rate of interest the banks may charge to customers?

Mr. WHITE: When I made this arrangement I took up with the banks through the chairman of the Bankers Association the question of interest, and I requested of the banks—and I must say they have met me in the fairest spirit—that during this period their rate of interest should not be increased, and that they would meet the situation reasonably and fairly giving such extensions of credit as might be possible and consistent with sound banking, and generally cooperate in meeting the situation that has arisen. The banks are desirous of doing everything they can to assist the Government in the conditions which now prevail owing to the outbreak of war.

Mr. PUGSLEY: No doubt the week or two following immediately upon the outbreak of war will have been the worst period so far as financial operations are concerned, no matter how long the war may last. In England they have adopted a moratorium. Having got over the crisis so far as financial operations are

[M. W. T. White.]

concerned, why should we enact legislation, our power to enact which is exceedingly doubtful, which may have the result of disturbing the credit of the people of this country. Take our trade with the United States for instance. The people of Canada buy in the neighbourhood of four or five hundred million dollars worth of goods a year from the United States, and they must necessarily get credit from the people of the United States. Now, what is going to be the effect when it is published in the United States that conditions are such in Canada that this Government has thought it necessary at a special session of Parliament to ask authority to proclaim a moratorium which will relieve for such a period as the Government determine debtors from the obligation to pay their debts? It is going to interfere most seriously with the credit of the people of this country. How is the public going to know when and how you are going to exercise that power? How are they going to know what class of debts will be affected, and in what mode you are going to exercise that power when in operation, or for how long it is going to exist? I say that unless the minister can tell us to-day, after the war has been in operation for some three weeks, that there is in his opinion a necessity for issuing this proclamation and bringing a moratorium into force he ought not to ask Parliament to entrust him with the power to issue such a proclamation.

Mr. WHITE: In answer I can simply say that in Great Britain they have introduced such a law as we are introducing here.

Mr. PUGSLEY: Was not the proclamation in England issued by virtue of an old statute?

Mr. WHITE: They introduced a Bill which went through the House at once.

Mr. PUGSLEY: Only referring to the banks.

Mr. WHITE: Oh, no, a general moratorium. Our Bill is founded upon the English Bill. We can discuss this more fully on the second reading. I say in all frankness it is not in my mind that any moratory proclamation is necessary, but it is my opinion that we should have this enabling legislation upon the statute-book of Canada just as it is on the statute-book of the United Kingdom.

Resolution reported and concurred in.