

security of \$7,500,000 of that company's four per cent bonds guaranteed by the Dominion under the provisions of The Grand Trunk Pacific Guarantee Act, 1914. These sums were placed to the credit of the Minister of Finance and paid out under the provisions of the deed of trust securing the issue of said bonds. This advance is repayable May 1, 1915, with interest at five per cent per annum.

Particulars: \$2,000,000—Order in Council, September 5, 1914; \$2,000,000—Order in Council, September 26, 1914; \$1,000,000—Order in Council, October 24, 1914; \$1,000,000—Order in Council, November 20, 1914.

BORROWINGS BY CANADIAN BANKS FROM THE GOVERNMENT.

Mr. KYTE:

1. Have any of the Canadian banks taken advantage of the special Act passed at the last session of Parliament and borrowed sums of money from the Government?

2. If so, what banks have availed themselves of this opportunity, and what amounts has each one borrowed?

3. Have any of the banks paid back any portion of this money? If so, what amount?

Mr. W. T. WHITE:

The sum of \$14,439,767.55 was borrowed by Canadian banks from the Government under the provisions of The Finance Act, 1914. Of this sum \$7,047,267.55 has been repaid.

Mr. KYTE: I wish to say to the Minister of Finance that his answer to this question is not complete. The first part of the question asks if any of the Canadian banks had taken advantage of the special Act passed at the last Session of Parliament and borrowed sums of money from the Treasury, and the second part of the question asks what banks have availed themselves of this opportunity and what amounts has each borrowed. The Minister in his answer has not given the names of the banks or the amounts borrowed by them.

Mr. WHITE: The Government does not regard it as expedient to give detailed information as to the advances made to individual banks. This policy follows the precedent established in 1907, when loans were made through the Bank of Montreal and details were not only not given as to loans to banks but are not even of record in the Department of Finance. I do not make this statement by way of criticism, because I think it was sound policy. There is another reason which I am sure will appeal to my hon. friend from Richmond (Mr. Kyte) why detailed information should not be given. In

the letter which I addressed to the several chartered banks on September 5, 1914, giving notice of the proclamation which was issued by the Government under the authority of the Finance Act passed at the special war session in August, I stated:

All applications to the Treasury Board will be regarded as confidential, and it is my earnest hope that we shall have the hearty co-operation of the banks in bringing into effect the new legislation.

Under all the circumstances it would seem to me that my hon. friend might possibly be disposed to refrain from pressing his application for particulars.

Sir WILFRID LAURIER: At this moment I express no opinion as to whether or not the information should be given to the House; I simply call the attention of the Minister of Finance to the precedent of 1907, when, if my memory serves me, the advances were made either to the Bank of Montreal itself or upon guarantee of the Bank of Montreal.

Mr. WHITE: My right hon. friend is correct in this, that the Bank of Montreal made and guaranteed the advances, but that does not at all alter the fact that advances were made to banks from Dominion funds. There was the additional security of the guarantee of the Bank of Montreal, but there is no distinction in principle. If it is advisable to make public details of loans made to the banks upon any security, it would appear to me that the same principle would apply, although the security is enhanced by a guarantee of a bank, even though that bank may be an institution such as the Bank of Montreal. The principle is the same: Advances were made in Dominion notes upon security.

There is the further consideration, not necessary for me to emphasize unduly, that last September it was very desirable in the public interest that the banks should be made to feel quite free to avail themselves of this legislation which had a two-fold object, namely, first, to conserve the gold supply of Canada, and, secondly, to enable the banks the better to supply the commercial needs of the community. In those circumstances, I wrote the banks pointing out that such was the object of the legislation; and in order that they might be more readily induced to avail themselves of its provisions, I stated, as I have already mentioned to the House, that their applications would be regarded as confidential. Under those circumstances, I think it would be a violation of the understanding between them