

hon. gentleman from Halifax stated that the banks are in good condition. Well, we should all rejoice at that, but it is perfectly well known from the returns as published, that deposits in general have been considerably reduced. It is also known that there is considerable stagnation in industry and commerce, and therefore that the banks cannot command the repayment of the advances that have been made as in normal circumstances. For these reasons it was necessary to have recourse to that special Act, and I have no hesitation in expressing the opinion, for my part, that the Government is to be commended for having put that Act on the statute book and in continuing it for another session; and I hope that when the time comes to amend it, the Government will see its way to create machinery which will enable them to have that system introduced in this country in a permanent way. As it is, all banks, even the strongest bank in the country, with the system of branches that have been introduced all over the country, and with the deposits that are collected for the purpose of enabling the banks to be able to advance the amounts necessary to industry and commerce, are exposed to runs; any bank may be exposed to the danger of coming to grief if a run is started against an individual bank. Other countries have systems which guard against things of that kind, because banks can go with undoubted securities to a state bank, or to a bank such as the Bank of England or the Bank of France, and can re-discount their securities or part of their securities, and therefore command the necessary amount of cash to answer all calls. In this country we have not that system. Happily we have secured it for a given period, and I hope that when the time comes it will be introduced in permanent form.

Hon. Mr. DAVIS—As far as the security is concerned that has been given to the Government, it is not necessary to press for a list of that, because we assume that the Government would not advance the money without proper security. However, the leader of the Government should have given us more information. If banks come to the Government and ask for a loan of ten million dollars or twelve million dollars or fourteen million dollars in Dominion notes, they surely must have some reason for wanting such a loan, but the leader of the House has not given us any of those reasons. My hon. friend from Halifax says

that he finds from reading the bank reports that the banks are in good condition in this country, that they have large rest accounts, and that their coffers are full. I have not seen the amount in the Bank of Montreal with reference to the reduction of deposits that has been made in that bank; in the Bank of Montreal, at any rate, these deposits have not been reduced very much. Surely we ought to be in a position to get information as to why the banks asked the Government to lend them this money. If they did not need the money, why did they ask it. I am sure the banks are not lending any more money out in this country. The best business men in the West cannot go to a bank and borrow five cents, no matter what security they have; and yet banks can come to the Dominion Government and borrow 12 millions or 14 millions, and not lend a cent to the business men who are doing legitimate business all over the country, or to the farmers. I would like a little explanation as to what they got this money for.

Hon. Mr. CLORAN—Oh, a little fringe.

Hon. Mr. DANDURAND—The question was put as to the reason why the right taken by the Government to proclaim a moratorium was not being renewed by the resolution proposed by my hon. friend. I find the reason a very simple one—that the resolution has for its purpose the confirming of the proclamation which has been issued, and as no moratorium has been proclaimed, so far, there is no necessity at this moment to ask for a confirmation, though the right still remains with the Government to proclaim a moratorium. I hope that no necessity will arise for such proclamation.

Hon. Mr. CLORAN—I am not rising to discuss the merits of the resolution, but simply to point out to the Government of the day when hon. representatives of the people put questions to the Government, there should be at least an effort made by the Government to answer them, so that very serious questions put by hon. senators on the floor of this House should not be treated with silence, if not with contempt. I am not referring now especially to the present representative of the Government in this House, but the Government must be made to understand that when fair questions are put fair, honest answers must be given. The proposition made by the hon. senator from Alberta (Hon. Mr. Davis) is a very fair one. He does not dis-