

and other property; its reserve funds are usually invested in government and other first class securities. Usually neither of these is available for loans; for this purpose banks rely generally on the money entrusted to them by their depositors. Deposits may be divided into two classes: deposits payable on demand, which appear as current accounts; and savings accounts, on which fifteen days' notice is sometimes required before withdrawal. It will therefore be seen that it is a primary duty on the part of banks that they protect their depositors' funds. No business or industrial venture is so susceptible to fluctuating conditions as the banking business. I wonder how many hon. members would make good bank managers?

Let me make this comment on the taxing of incomes over \$20,000. A contracting firm handles big contracts, sometimes running into millions of dollars. We will suppose that after a contract has been completed, and the contracting firm has paid off all the debts incident to the contract, it has a balance running anywhere from \$200,000 to \$600,000. It may have to wait a considerable time before it gets another contract, and in the meantime deposits a portion of that money, say \$50,000, in savings account in a chartered bank. Well, if the suggestion made by the hon. member for Acadia were put into practice, \$30,000 of that deposit would be taken by the state. Would that be a good thing for the commercial life of this country, or would it not? That is one of many things that must be given due and fair consideration before we could adopt the plan proposed by the hon. gentleman. He has said our banking institutions do not consider first of all the welfare of the people. I wonder what reception he would get if he were to make that statement in the United States. Many depositors in that country who have lost thousands of dollars through the failure of their banks would think the Canadian a funny person who would make such a statement. To-day in the United States they are marking their return to normalcy by the fewer number of banks that have failed this month as compared with the preceding month. To deride or belittle the banking system of this country is not doing a service to Canada. That could have been done in times of prosperity as well as in times of adversity. Take the provincial savings office of Manitoba; that was a government-conducted affair. I do not think I need to comment upon it, but I submit that it was a splendid thing the banking houses of Canada were able to absorb and save the depositors in that province. What of the American money that is coming

into our country now for deposit? Would that money come in if the American people did not have faith in our banks? While there may be an increase in deposits in the savings banks of the country, it will be found on inquiry that a part at least of that increase is coming from the United States, and it is coming here for safety and for no other reason. When the history of this depression and of these hard times is written, the brightest spot in it will be the conduct of the financial and credit system of Canada as it was maintained by the Prime Minister and his government; and I have no doubt that his successor in that very high office, the present Minister of Finance, will be equal to all that is put upon him.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has said in this house that our forefathers, when they built their homes in Canada, believed that they were founding a democracy. I agree with that statement, but I have sometimes wondered whether our forefathers would have permitted some of the speeches that are being made in this country to-day. And when I hear men going up and down the country saying, "The state owes me a living," I would reply with this: They owe something to the state. Many of them are living better in Canada than they have ever lived or ever will live in any other country, and the social legislation of this country is burdening the taxpayers to the limit. Let us not forget that the taxpayer is the best citizen, for he keeps the wheels of government running.

I now wish to make a few remarks with regard to unemployment relief in British Columbia, a subject which has been forced upon the attention of the house by hon. members opposite. It has been a surprise to me, if there were any real maladministration of affairs in British Columbia, that some hon. members from that province should have so graciously permitted the hon. member for New Westminster (Mr. Reid) to present such rumours, for they are rumours inasmuch as none of them are facts. Or was it their policy, with their larger experience in political life, to accept no responsibility for unproven statements which might become embarrassing later on, and which the hon. member for New Westminster, in his enthusiasm, was willing to assume? The hon. member for Vancouver Centre (Mr. Mackenzie) and the hon. member for Vancouver North (Mr. Munn) have had considerable political experience, both having been members of the British Columbia legislature. These hon. gentlemen were supporters of the late Liberal administration in