

legislatures," there is no mention of banking, or of any form of financial enterprise.

Nothing can be clearer than that, the Dominion Parliament alone has constitutional power to regulate banking, and to incorporate banks.

By virtue of this exclusive authority the Dominion Bank Act was passed, which declares, in very strict terms, under what conditions the business of banking may be entered upon and conducted in Canada.

The main object of this Act is to protect the public from those who by claiming to be operating a bank or conducting a banking business, may induce persons to deposit their money, for the safety of which no security has been given, or any evidence of such trust being justified.

Under the Bank Act no persons can open a banking business until \$500,000 has been *bona fide* subscribed to the stock of such bank, one-half of which must be paid in cash to the Minister of Finance and Receiver General. If these conditions are not complied with in one year from the time such bank is incorporated, all rights, powers and privileges so conferred are annulled.

The stringency of the Bank Act, and its evident intention to confine the business of banking to such organizations as comply with the Bank Act, are evident from the following Clause No. 100:

"Every person assuming, or using the title, 'bank,' 'banking company,' 'banking house,' 'banking association,' or 'banking institution,' without being authorized so to do by this Act, or some other Act in force in that behalf, is guilty of an offence against this Act."

The penalty of such offence is stated in Clause 101 to be, a fine not exceeding \$1,000, or imprisonment for 5 years, or both.

It would be difficult to express in stronger, or more definite language the determination of the Dominion Parliament to restrict banking to organizations that comply with the Bank Act.

The Quebec Legislature, however, has practically set the Dominion Act at naught, by establishing a licensing system under which any person on paying \$200 to the Provincial Treasurer is authorized to conduct a banking business by receiving deposits and making loans.

The person so licensed is not required to show that he is personally possessed of any funds, or property. Yet, he and his associates may exercise the same rights, that is the rights incident to the conducting of a bank, such as the Dominion Bank declares must not be exercised by any organization until it has had \$500,000 subscribed, and has deposited \$250,000 with the Finance Minister!

If a group of persons, or one individual, is duly licensed, by the Quebec Government to conduct a banking business what sense is there in the Dominion

Act forbidding them to style their office a "bank," or "banking house," or speaking of their company as, a "banking association"?

Surely there is a violent opposition, an irreconcilable difference between the Dominion Bank Act, which restricts banking to corporations with a minimum of \$500,000 capital, and the Quebec License Act, which allows any body, on payment of a fee of \$200, to open a bank and transact banking business!

The two main lines of banking are, receiving deposits and utilising them for loans, yet authority to conduct these fundamental features of banking is given to any body in the Province of Quebec who has paid \$200 to the Treasurer.

Wholly apart from the indisputable conflict of this licensing system with the Dominion Bank Act, it is most deplorable that the interests of the public should not be protected by those who are authorized to conduct a banking business being compelled to give some substantial evidence and guarantee of their financial reliability.

Canadian banking has a world wide and almost unrivalled reputation for soundness. This reputation has been built up under the wise, the very conservative provisions of the Bank Act. But, if the banks, which comply with that Act, are to have banks placed alongside them of the unsubstantial, the ephemeral nature which can be established under a Quebec license, it is reasonable to fear that the reputation of Canadian banking will be depreciated, as they will have to share in any scandals created by those who solicit deposits in order to conduct a business which ordinary bankers repudiate.

The Quebec Government and Legislature must have passed the License Act without due consideration. They should lose no time in amending it by removing the clause which so plainly conflicts with the Bank Act of Canada.

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#### THE ADDRESS OF THE RETIRING PRESIDENT OF THE BOARD OF TRADE.

On retiring from the office of President of the Montreal Board of Trade, Mr. W. I. Gear delivered an address which excited much interest. He doubts there being anything in the Chamberlain policy that would be of material service to Canada, but favoured free trade between Great Britain and this country.

He argued against the imposition of a maximum and minimum tariff as being likely to give greater advantages to the American manufacturer than the Canadian. He does not want reciprocity, but prefers the raising of the Canadian tariff so as to be commensurate with the American tariff against Canada. The danger threatened by the labour agitator could only be averted by educating the masses. The mischief caused by this country being flooded