

belonging to such person, valued at the then current rate.

If a stockholder has fifty shares and desires to transfer twenty-five, before he can make that transfer he must previously have discharged all his indebtedness or liabilities to the bank, which exceed in amount the remaining stock, namely twenty-five shares. The theory is that the bank should be entitled to retain a lien upon sufficient stock to cover the liability of the shareholder to the bank.

Sir WILFRID LAURIER: It is not unfair to the shareholder, when he desires to transfer his stock, to be told without qualification or restriction: You must discharge all your liability to the bank; but some complications may arise if you allow the clause to remain as it is.

Mr. WHITE: No change has been made in this particular clause, and I think it will work out in the future, as it has done in the past, satisfactorily. It simply puts the bank in a position to say: You owe us \$5,000; you propose to transfer all your shares, and we object to that. We will allow you to transfer a number of your shares, but you must allow a sufficient number to remain in your name to give us a continuing lien to cover the amount of your indebtedness.

Mr. OLIVER: I asked the hon. member for St. Antoine (Mr. Ames) a moment ago if it was not a fact that in all cases the wrecking of banks has been caused by the borrowing of money from the banks by the shareholders?

Mr. AMES: By no means.

Mr. OLIVER: Have not a large majority of the wrecks occurred as a result of that condition?

Mr. AMES: No.

Mr. OLIVER: Have any bank wrecks occurred for that reason?

Mr. AMES: Yes.

Section agreed to.

On section 146—managers or agents engaging in insurance business:

Mr. TURGEON: I have had several letters from managers of banks in the small country towns in northern New Brunswick, who claim that they should be allowed to retain the privilege of engaging in insurance business. I believe that as a rule a great deal of the insurance business in our small towns has been carried on by the bank managers, as our merchants have not the time to devote to it. A single individual cannot carry on the business with any reasonable degree of profit, and it naturally falls into the hands of the bank managers,

who have time to devote to the business. I would move, therefore, that section 146 be amended by striking out sub-section 2 thereof.

Mr. OLIVER: I would make the suggestion that the banks pay their managers a sufficient salary, so that they will not require to engage in other business.

Mr. SHARPE (North Ontario): When this clause was under discussion in the Banking and Commerce Committee, the amendment offered by the hon. member for Carleton (Mr. Carvell) was flung rather hurriedly upon the committee; it was not discussed for a very great length of time, and the bankers and bank representatives did not oppose it very strongly. It struck me during the discussion that, while the banks were very jealous of all their rights, when it came to small managers in small districts, they were willing to let them suffer. I am free to confess that I voted for the amendment embodied in sub-section 2, but upon reconsideration of the matter I think it would not be in the best interests of the bank managers who are drawing small salaries in some of the outlying districts. I do not know that any persons in my constituency would be affected by its application, but I have had a number of communications from men outside of my constituency in reference to the matter. One of them is to the effect that one of the bank managers has built up an insurance business that means more to him than his salary as manager. Although he has been with the bank for twenty-two or twenty-three years, he would under the operation of the Act, and because the insurance is the best portion of his business, have to give up his managership, sacrifice his right to the pension fund, and continue the insurance portion of his occupation. This letter, which is dated May 13, 1913, says in part:

Banks like the little Western, which could not pay big salaries, let their agents act as agents for insurance, and some of them have built up very substantial offices. One of them writes me that he will have to give up the bank, as the insurance is the best end, and that means a loss of salary and 28 years' service with the institution and the pensions that go with it.

I think it is a fact that there are very few bank managers throughout the country who are engaged in the insurance business, but it seems to me it would be a great hardship to deprive them of the opportunity of adding to their incomes in this regard. I think some good results would be obtained if the banks wrote to their managers at the local centres and asked them for a report with regard to the insurance business they were carrying on. The Finance Minister might ask the