

imports over the value of domestic exports during five years from 1902 was no less than \$291,850,000. Nor did he tell his audience that during the fiscal year ending June 30, 1907, the excess of imports was somewhere about \$187,760,000, the greatest in Canada's history. This is a balance which has got to be liquidated sooner or later by the people of Canada. I think it would have been only fair for the hon. gentleman to have pointed out, not only the bright side of the shield, but the other side, which is not so bright, when we consider that owing to the policy of this government the balance of trade has been running very heavily against us, and during the last year it was the heaviest in the history of Canada.

Now, Sir, our banks have made during the last decade enormous strides forward. We have only to refer to the figures to see that during the last ten years our banks have increased their paid-up capital by some \$35,000,000, and they have increased their reserve funds by about \$43,000,000. We are all glad that our banks are in that strong and healthy position; and while we are well pleased to see their reserves carried up to the large amount of \$69,412,774, while their total paid-up capital is \$96,167,889, we must remember that forty odd million dollars has been taken out of the people of this country during the past ten years. That is not all they have taken out of the people. They have paid dividends, some of them, as high as 12 per cent, and all of them, I think, exceeding 6 per cent, that is all who have been in business for some years. Their deposits have increased at a very great rate during the last ten years, showing that the people of Canada are thrifty and have been to a great extent prosperous. But unfortunately, Mr. Speaker, we have had during the past few years certain bank failures which have called attention to the necessity of some amendments to our Bank Act. I say again it is unfortunate that when one discusses any proposed amendment to the banking laws of this country he is immediately attacked by financial journals, he is immediately attacked to a certain extent by bankers. They seem to consider that no one has any right to discuss the banking laws of this country except the bankers themselves. For my part, I believe there are certain principles in regard to banking to which we need to give very serious consideration. I am not attacking the banks of this country. I am glad to know that any bank which has pursued conservative methods has been successful, has made money for its shareholders and depositors have been absolutely safe in placing their money with it. It is only when banks go beyond conservative lines, it is only when they go into gambling, if I may so speak, or where they make loans they should not make, that they have met with disaster. Go back to 1847, look at the banks that

were in existence at that time. To-day some six or seven of those banks are in existence yet, and have grown year by year. They have gone through all the financial depressions which have occurred in the interval, and still they have very strong reserves, and are unquestionably in an exceedingly strong financial position.

But, Sir, where the banks have gone wrong they have gone wrong by adopting methods which our conservative banks do not adopt, and it is for that reason that I intend to ask the House to carefully consider whether the time has not come when we can place upon the statute-books of this country, by amendments to our banking laws, such provisions as will prevent a recurrence of what has taken place during the past few years. I think we will all concede that the bank is the most important instrumentality in the modern system of industry and trade. Without it this system would never be developed and without it it could not be maintained. I think we will all concede that the vast expansion and complicity of industrial, commercial and financial relations have compelled the use of credit upon a scale never before imagined and have wrought wonderful changes in the manner of applying it with effect and safety. We will all concede, I am sure, that modern business cannot be carried on without credit and that the latter depends upon confidence. Banks do not receive their powers for their own sake, but for the advantage of the people. It is the representatives of the people that grant these powers. I say that the true principle in regard to banking legislation is that the legislation must be considered in relation to the country at large and not simply in its bearing on the interest of a particular class. We all, I think, agree that there must be, in order that the banks shall be successful, absolute confidence in the banking institutions of our country and while I say, in regard to most of our banks, that I believe there is that absolute confidence, and I believe it is the duty of every representative of the people in this House to endeavour to encourage that confidence in the banking institutions of our country, yet, I say that no man should be prevented from discussing fairly and honestly what he considers to be necessary amendments to the banking laws of our country. Now, Sir, it has been said and it has been wrongly said, that our banks are in a very much better position than the banks of the United States of America. We have to consider the position taken by the United States in regard to their banks. About the year 1830 the United States came to the conclusion that by incorporating banks and permitting them to have branches extending all over the United States they were going to encourage an enormous monopoly in their country which would be to the disadvantage of the United States and, there-