tectural proportions. I believe the banks have invested more money in buildings than the returns show, because they have all adopted the policy of writing down their real estate. I think the banks in the west have permission to lend money on the security of real estate, under certain restrictions. In the eastern provinces, I believe, no greater rate is asked than 6 or 7 per cent. If usurious rates of interest are charged, that is not the case in the eastern provinces. I yield to the practical knowledge of my hon. friend from East Grey and my hon. friend from Cornwall with regard to the rates exacted from the farmers and others; but in our eastern banks good commercial paper is taken universally at 6 per cent, though new customers in times of stringency are charged 7 per cent, but no higher. My hon. friend from East Grey went a little further afield than the usually restricted area of banking, and took up the public needs, claiming that the public are allowed only 3 per cent on deposits, while they are charged 12 per cent on loans by the western banks, and the banks have paid dividends of 10 or 12 per cent. My hon. friend should remember that it is not from the capital of the bank direct that all the money is made. The money accumulated by the banks is frequently from balances acquired in years long past. A bank has to pay an expensive manager, a large staff of clerks, the cost of expensive buildings, taxes, losses, and legal expenses; so that the difference between 3 per cent and 6 per cent is not all profit. The hon. member for East Grey says that the banks should supply the people of the country with money. I call that a Utopian idea, that a bank should lend to any one that comes in. My hon. friend did not use those words, but his meaning was that a bank should not refuse to loan to any individual.

Mr. SPROULE. Perhaps I was misunderstood by the hon. member. That was not the impression I desired to convey. What I desired to convey was this, that the great bulk of humanity who were known to be honest, industrious, frugal and to pay their way, ought to be able to get some limit of credit, however small, even if they had not the best security in the world, because one of the duties of a bank is to provide a circulating medium for the great bulk of the people. A man's standing and character is very often his capital.

Mr. W. ROCHE. My hon. friend may be conversant with the practice of the banks of the west; but what familiarity I have with the conduct of banks convinces me that the character of an individual who obtains a loan or a discount is scrutinized and the character of his security is examined, and I do not know that a bank which has the resources even refuses to a man of good character, with fair security, such an adequate loan as is proportionate to his circumstances and his legitimate demands.

Mr. SPROULE. My hon. friend can not be familiar with conditions in country places, or he would not reach that conclusion, because I can tell him that the best farmer in our part of the country cannot go into a standard bank and borrow money unless he has a substantial endorser, although the standing of the farmer is as good as that of the Bank of Montreal. His business is stable, his land will not run away, it is not under mortgage, his buildings are up and he has all the guaranty necessary.

Mr. WM. ROCHE. Some banks are sceptical, and they have not the advantage of the advice of my hon. friend, nor do they hold his broad views. They look to the security and to the returns. If a man is honest and has the reputation of paying, I do not know that a banker would not give him what would be an adequate loan. But there are many impecunious fellows who have long names and short credit. They require to be watched. If you go on philanthropic grounds and the rights of man and give money whenever called upon there will, be more banks in default. Bankers have to take an honest, business way and look to where they put their money. They must have regard for the interests of their shareholders and the public as well, and have to discountenance impecunious people and sharp practitioners who want to take the resources of others without giving much return.

Mr. SPROULE. I am talking of the honest and industrial man who is out of debt, who is in good circumstances, who has a good farm and buildings and stock. The manager will tell him that the bank does not loan any money except on endorsed notes. But why is it this man can go to a private bank and get any reasonable amount he likes on his own note? That is why private banks spring up everywhere and are found so useful. The individual who is known to be honest and industrious and has some standing, can get at these private banks a small amount on his note without any endorsation.

Mr. WM. ROCHE. The banks are not only the trustees of their shareholders and depositors, but of the dead as well. There are estates which own shares in banks, and the directors and managers have to exercise an excessive amount of care to prevent people who have their living involved in the standing of the bank from being absolutely ruined. If they were too profuse in any way with the resources of the bank, a great deal of misery to these people would result.

Mr. SPROULE. They should not forget the first object for which we give them charters and power.