

It is desirable that depositors should be well protected, but it certainly seems that when they have been made reasonably secure the legislators act wisely in giving their attention to the interests of the borrowers. As remarked hereinbefore, they can do this best by creating or maintaining a set of conditions under which the banks may advance funds liberally at low rates and with the minimum of risk to all worthy applicants for credits.

This could not be accomplished by prohibiting or limiting the foreign investments of the banks, nor through establishing a legal maximum of interest rates. The inauguration of a policy of piling taxes upon the banks would seem to be travelling in a direction exactly opposite to that desired. Such a policy must result in placing a certain amount of handicap or disability upon Canadian industry and trade.

External Inspection of Banks.

In the articles that follow the whole matter of Bank Act revision will be discussed; some criticisms of the law presently in force will be offered, and some suggestions put forward regarding improvements or changes, calculated, in the writer's opinion, to strengthen the banking machinery and increase its usefulness.

As there has been in the past eighteen months an extended discussion of the question of external examination of banks, it will be necessary to give considerable space to that subject, but it will not be allowed to crowd other considerations.

FIRST-CLASS DRY DOCK WANTED FOR PORT OF MONTREAL.

Second-Class Dock Insufficient for Future Needs—No Rivalry Between Quebec and Montreal.

Monetary Times Office,
Montreal, November 9th.

Montreal is anxious for its dry dock. At present appearances are against a subsidy being granted for the construction of a first-class dock. "First-Class," it should be known, refers to capacity and not to quality of workmanship.

The council of the Montreal Board of Trade held a meeting a few days ago at which the whole subject was thoroughly canvassed, the result being that the council is asking the city council, the councils of the towns of Maisonneuve and Longueuil, the Montreal Citizens' Association, the Inland Marine Interest, the Manufacturers' Association, the Chambre de Commerce, the Marine Insurance, the Grand Trunk and the Canadian Pacific Railway to appoint delegates to accompany delegates of the Board of Trade to Ottawa to present the claims of the city of Montreal and vicinity to a dry dock of the character indicated.

No Rivalry Between Montreal and Quebec.

The situation between Montreal and Quebec is not one of rivalry over this matter of a dry dock, although, in a discussion of the matter, each city, in urging more for itself, is apt to refer to the assistance the other is receiving. The claims of both cities for a dock appear to be admitted in principle by the Government, but while the Government is prepared to grant a subsidy—or guarantee interest on cost—for the construction of a first-class dock for Quebec, it is only prepared to treat with Montreal on the basis of a second-class dock. Each city is urging its claims under the provisions of an amendment to the Dry Dock Act passed last year, in which the principle of these payments is admitted, as follows:—

"The Governor-in-Council may, as an aid to the construction of any dry dock, authorize the payment of any unappropriated money forming part of the Consolidated Revenue Fund of Canada of a subsidy, in accordance with provisions of this Act, to any incorporated company, approved by the Governor-in-Council as having the ability to perform the work, which shall enter into an agreement with His Majesty to construct a dry dock under the provisions of this Act, with all necessary equipment, machinery and plant for the reception and the repairing of vessels."

"No such aid shall be granted unless the Governor-in-Council is satisfied upon a report of the Minister, based upon a report of the chief engineer of the Department of Public Works and such other evidence as he deems necessary, that

such dry dock is needed in the public interest, and is as proposed, of sufficient capacity to meet the public requirements where such dry dock is to be located."

Different Classes of Dry Docks.

Provisions were made for different classes of dry docks. Only two classes are under discussion at the moment, and the conditions surrounding payments on these are as follows:—

A first-class dock must have a lifting capacity of at least 25,000 tons, and authority has been granted for the payment, under the provisions mentioned above, of 3½ per cent. interest on the cost of such a dock on an amount up to \$4,000,000, for a period of thirty-five years.

A second-class dock must have a lifting capacity of at least 15,000 tons, and the guarantee in this case is for 3½ per cent. on but \$2,500,000, for a period of twenty-five years.

In view of these provisions, Major George W. Stephens, on behalf of the Harbor Commissioners of Montreal, entered into negotiations with substantial concerns, and some months ago announced that arrangements had been completed with the British firm of Messrs. Vickers Son & Maxim, for the construction of a first-class dry dock of the floating type, for the Port of Montreal. The commissioners, being eager to complete the work as quickly as possible, have been busily occupied in creating a site, and in excavating and making other preparations for the larger operations to come later.

The disappointment came when it was learned that the Government was only prepared to extend its guarantee for a second-class dock for Montreal. At the same time it was quite prepared to guarantee the interest for a first-class dock for Quebec. Montreal shipping interests are not opposed to Quebec having a first-class dock, and there is a very considerable tendency to admit that if there could only be one dock between the two cities it might be more advantageous, everything considered, to have it located at Quebec.

Second-Class Dock Insufficient for Montreal.

The Government admits the principle of a dock for each city, and it has been announced time and again that the channel between Quebec and Montreal has now a depth of thirty feet all the way, and that no effort is being spared to increase this depth to thirty-five feet as quickly as possible. This being the case, Montreal shipping interests contend that a second-class dock, with the limited lifting capacity of 15,000 tons, although it might serve the purposes of ships now reaching port, will fail to do so within a few years. Vessels of approximately 12,000 tons are now coming to port; after the thirty-five foot channel has been completed to the depth now being aimed at by Government, vessels of probably 20,000 tons will dock at Montreal. As the channel continues to enlarge, it will be taken advantage of by the ships of the largest tonnage, and it is, therefore, urged that a second-class dry dock is, under the circumstances, insufficient for the needs of the port.

Reference is made that a first-class firm, of world-wide reputation, is waiting to carry out the work in Montreal, and there is every reason to believe that the construction of first-class docks will also mean the erection of a shipbuilding and repairing plant of considerable importance by the same firm. In the case of Quebec, it has been said that the company which has been formed to construct the graving dock has not only applied for its subsidy as mentioned above, but has asked the Government to guarantee the difference between the par value of the bonds and the price at which they can be sold, or to assume the cost of flotation. It is thought the Government will not consent to this, and that the result may be that it will build the graving dock itself.

The delegation will, no doubt, take an early opportunity of presenting the entire argument at Ottawa, and there is hope that it will be favorably received.

HAMILTON AND ROYAL BANKS WILL NOT AMALGAMATE.

A Montreal paper states that according to certain rumors, negotiations have been proceeding for some time between the Royal Bank of Canada and the Bank of Hamilton and that the negotiations have reached the point which practically insures the consolidation of these two well-known chartered banks within the next six months.

Writing to The Monetary Times respecting this matter, Mr. W. B. Torrance of the Royal Bank, says: "There is not an atom of truth in the report of any amalgamation of the Royal Bank of Canada and the Bank of Hamilton."

Mr. H. M. Watson, assistant general manager of the Bank of Hamilton, writes The Monetary Times that "there is not the slightest foundation for the rumor to which you refer."

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