

pledge, lien, charge or other security, shall not give to the bank any prior lien or charge upon such goods, wares and merchandise or other property referred to in said sections 73 and 74, notwithstanding the provisions of section 77 to the contrary.'

The object of the amendment is to remedy certain complaints which have been made, as to the evil effects which are felt in the working of the Bank Act. Banks have, under the old system, and under the present Bill, will have the continued right to advance on securities pledged to them, without these advances or securities going to the registrar for registration. As I understand it, no other institution, or no private person, has the right to advance money, or take security, without having the security registered in a certain way in the registration office. It was said before the Banking Committee, that the amendments that were asked for there, involved class legislation. I may say that this is class legislation as far as these advances are concerned. Why should the banks have the right to take security without being registered, when no private person has that right? The effect of it is that creditors are not aware that the banks have taken this security, and they go on giving credit.

The MINISTER OF MARINE AND FISHERIES (Sir Louis Davies). Is the hon. gentleman (Mr. Rosamond), speaking of an ordinary warehouse receipt, or of a special security?

Mr. ROSAMOND. Not a warehouse receipt alone, but pledges and liens of different kinds.

The MINISTER OF MARINE AND FISHERIES. The banks are in no different position from anybody else.

Mr. ROSAMOND. The banks take security now without giving any notice as to the persons from whom they have taken security. Take the case of a farmer, for instance; a farmer may sell his produce to a merchant and give him thirty or forty days. He supposes that the merchant is perfectly good, and before the thirty or forty, or sixty days, as the case may be, expire, the merchant fails, and the farmer finds, to his disgust, that the bank has in its control all of the merchant's property. Even the very property that the farmer sold to the merchant, is taken possession of by the bank, and he has no recourse. That is only an example, and the same thing holds good with securities given in different ways. I do not see why banks should be given this power any more than any private banker or institution. Why should banks have the power more than a private individual? Why should this class legislation be given? I think it is an anomaly that should be corrected, and I am proposing the amendment to have it corrected now. I hope the hon. Minister of Finance will consent to it, be-

cause I think it is only a fair request, and one that will be in the interest of the public generally.

The MINISTER OF FINANCE. I regret that I am unable to agree with my hon. friend (Mr. Rosamond), as to the desirability of having this Bill sent back to the Committee on Banking and Commerce, for the purpose to which he has referred. Where you desire an examination into the details of a measure, the services of a body like the Committee on Banking and Commerce may be usefully employed, but, I think, my hon. friend will agree with me, that, where you are dealing with a matter of principle, as I submit you are in this case, it is better to discuss the question in the open House, than to attempt to refer it back to the committee. The amendment proposes to strike at the root of the system of banking credits, which has, for a great many years, played a very important part in the management of the trade of the country. Whatever may be said as to the desirability of having securities in other transactions registered, it has been admitted for a great many years, that in order to give the necessary facilities for banking, in the carrying on the business of the country—

Mr. ROSAMOND. The minister has misunderstood me. I did not mean to refer it to the Committee on Banking, but to the Committee of the Whole House.

The MINISTER OF FINANCE. My hon. friend is correct. This is a question of principle, involving no detail, and we might just as well discuss the amendment here. I was proceeding to say that for many years it has been deemed necessary in order to carry on the business of the country, and to facilitate transactions between customers and the banks, to permit these liens to be established without any registry. This principle has been in the Banking Act for a very long time, and I think I may safely say that it has been accepted by parliament and by the country as a necessary element in banking business. If the hon. gentleman (Mr. Rosamond) abolishes it as he proposes, and declares that hereafter there should be no such security without registration in the same manner as you are obliged to register bills of sale in some of the provinces, then my hon. friend (Mr. Rosamond) would be striking at the foundation of the system of credit as between the banks and their customers which on the whole has worked successfully for a great many years. Apart from the general principle, my second objection is: That while the clause might be workable in the province of Ontario—and it seems to have been designed with special reference to the conditions in Ontario—yet I am advised that in some of the provinces, (at all events in the province of Quebec), there is no machinery by which this method could be worked out. My hon.

Mr. ROSAMOND.