

receipts, bills of lading, etc.; but, as if to give emphasis to what it might not be, it was to be a bank.

This bank, then, is a statutory corporation; it has the powers that the Act gives, and no other, except such as are ancillary and subservient. It has no charter and no powers unless they are here in this statute; and in my view of it, the general words at the end of the 40th section are not intended to give a general and indiscriminate power to carry on the business of banking in any manner they may see fit. So much, then, for the direct meaning of the words of these two sections in reference to the species of security described in the second part of section 51, and in reference to the universal and indiscriminate powers claimed or supposed to have been vested by the concluding words of section 40. We are dealing with a statutory corporation, and such bodies possess no powers—that is to say, no substantial powers that are not plainly granted. "Corporate powers cannot be created by implication, nor extended by construction. No privilege is granted unless it is expressed in plain, unequivocal words." I am quoting from Abbott's digest of the law of corporations, p. 152, par. 70.

"No powers can be exercised except such as are conferred, and in cases of reasonable doubt, it must be decided against the corporation. If a power is exercised which is not authorized, it is *ultra vires* and void." This is the language of Field in his well known treatise on the law of private corporations. It is also a rule of construction that the specification of certain powers operates as a restraint to such objects only, and is an implied prohibition of the exercise of other and distinct powers. Abbott, p. 570, p. 30.

Applying, then, the rules of interpretation laid down by the highest authorities, the conclusion would appear to be that the Bank had no right under the Banking Act to make loans on stocks other than bank stocks. This view receives a strong confirmation from a comparison of the Banking Act with the Savings Bank Act passed in the same year. (34 Vic. c. 7.) By the 18th section power is given to savings banks to lend on the collateral security of certain stocks and securities therein mentioned, viz: British or foreign public securities, or stock of some chartered bank in Canada, or in the incor-

porated building societies, or bonds or debentures, or stock of any incorporated institution or company. Here we find permission given to savings banks to lend on the *stock* as well as on the bonds or debentures of incorporated companies, while the other banks are only to lend on the bonds and debentures of such companies.

In 1873 two Acts were passed, prescribing the form of returns to be made by Savings Banks and by other banks (36 V., c. 43, and 36 V., c. 72). The difference in the form of these returns exactly corresponds with the difference in the classes of security on which Savings Banks and the other banks are authorized respectively to make loans. Savings Banks are required to mention "loans for which bank stocks are held as collateral security," and "loans for which *other stocks*, bonds or debentures as authorized by law are held as collateral security," while the other banks are required to mention "loans, discounts or advances for which shares of the capital stock of any other bank are held as collateral security," and "loans for which the bonds or debentures of municipal or other corporations, or Dominion, Provincial, British or Foreign public securities are held as collateral securities." This difference between the provisions of the Acts relating to Savings Banks, and those relating to other banks is obviously not accidental, nor perhaps difficult to explain. Savings Banks, so far as their powers of dealing with the funds entrusted to them are concerned, are intended to be mere local lending institutions. They are not allowed to issue their own notes, nor to discount commercial paper, nor to make advances on bills of lading or warehouse receipts. Their function is to make loans on collateral security of a very various and miscellaneous description, requiring in the management an acquaintance with the value of the securities on which the money of the Bank is lent. The business of the other banks, on the other hand, is of an entirely commercial nature: to buy and sell exchange, discount promissory notes, and make advances on bills of lading and warehouse receipts—in a word, to supply the means and facilities of carrying on the trade and commerce of the country. Their powers are declared by the 51st section not to prevent them from making advances on the bonds and debentures of incorporated companies, apparently because