

ment is not so easy as my hon. friend suggests.

There are three interests to be considered in connection with banking affairs. They are all important, but all have not equal claims upon our consideration.

First, there is the interest of the noteholder. If the banks are to be employed to assist in furnishing the circulating medium it is of the utmost importance that the people who receive the notes should have confidence in them, and that, to that end, these notes should be made as secure as possible. Our present banking system seems to secure the notes almost beyond peradventure. We have no loss of notes from the failure of a bank for many years, and practically—though there is no perfection in human affairs—we have security against any noteholder losing a dollar. In fact, the note of a bank that has failed is worth more than the note of a solvent bank. For the notes of a solvent bank do not bear interest, but the moment a bank closes its doors its notes begin to bear interest. Under the revision of the Banking Act, made under my predecessor, I think in 1891, an insurance or guarantee fund was created whereby a percentage of the circulation of every bank is deposited with the government, these deposits becoming a fund for the security of the notes of all the banks. Not a dollar has ever been drawn from that fund, and I trust that ten years hence, when another minister may come to revise the Bank Act, he may have the same story to tell. I think it a wise and excellent provision. It has given great confidence to the circulation of our notes. Practically those notes are secure.

The next interest to be considered is that of the depositor. Now, the depositors are pretty well secured. Experience has shown that under the system of double liability, while shareholders suffer, depositors are well protected. It is many years since a depositor has lost a dollar, and I think the chances are strong that, under the Bank Act, neither noteholders nor depositors can suffer loss. My hon. friend from Stormont said that nearly all our banks were strong and successful. He seemed to make a qualification and made references to one of the banks which I regretted, because I am afraid that those references were calculated to do harm. But I have no hesitation in saying that every bank in Canada to-day gives to the people the most absolute assurance that, as respects its noteholders and depositors, it is sound. I do not think that one need offer any qualification in making that statement.

The third interest is that of the shareholder, and it is the shareholder who in most cases has suffered. Now, I do not say we are not concerned about the shareholders. But I say that his interest is a different one from that of the depositor, and a ma-

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terially different one from that of the noteholder. The shareholder is the bank; the shareholder is the trader. If he starts up a shop in which to do business, hoping to make a profit, he must take the risks, and if it turns out that in doing business things go wrong, either by his own neglect or by the fault of the managers—that is the directors—why, that is what may happen to a man in any line of business. Surely if he is content to take the profit from the franchise given him, he must face the risk also. I do not say that we should be indifferent to the shareholder's interest. But I point out that he has not the same claim upon our consideration as the noteholder and the depositor. I may repeat that the shareholder is simply the shopkeeper, the trader, the man who does business, and it is for him to see to it that his business is in the hands of competent men, and, as any storekeeper would have to bear the loss from the mismanagement of a foreman, a clerk, a book-keeper or a treasurer, so the man engaged in selling money to the community must take his risk, and if he neglects his business, if he fails to appoint competent men, or if the men he appoints do not do their duty and loss comes to him, we may regret it, but it is only such a misfortune as every man who goes into trade must risk.

Mr. SPROULE. The hon. gentleman (Mr. Fielding) seems to be forgetting one important thing for which the banks were made. How about the user of the bank, the man who requires the circulating medium?

Mr. FIELDING. The man who uses the notes? I referred to him first. He represents the public at large. Now, with regard to circulation, my hon. friend (Mr. Pringle) mentions that we need better regulations on this subject. My hon. friend from East Grey (Mr. Sproule) referred to that, and mentioned as an instance the case of the Banque Ville Marie where there was a failure and an excess of circulation. I interrupted the hon. gentleman to remind him that that was a number of years ago and that it was in consequence of our experience of that time that the change was made in the Banking Act, so that we now have quite stringent regulations with regard to circulation. These regulations are carried out by the Canadian Bankers' Association and they are carried out most efficiently. I am sorry to find that some hon. gentlemen talk of the Canadian Bankers' Association as if they were a great bugbear, as if there were some great evil. As far as I know the Canadian Bankers' Association have taken a very important place in connection with our banking affairs and I cannot recall any case in which the Canadian Bankers' Association have