

them—do not care about even commenting upon amendments to our banking laws. I recognize that if you take up the financial press of this country we will find them, and this is a great opportunity for them, clamouring in the interests of the banks. We find in some of the press some silly utterances. To show what some of these gentlemen think of the legislators of this country I quote from a writer in the 'Monetary Times':

I have noticed some of Mr. Pringle's ebullitions against the banks, as given in the newspapers. They are not worth paying any attention to. The criticism of the average member of parliament of the banks, and his ideas about banking and currency, are usually little better than drivel. The banking system of Canada is probably better than her people deserve. People who have not intelligence enough to see through the barbarism of protection are hardly entitled to possess what is probably the best banking system in the world. It is certain, however, that she does not owe it to her politicians. It would almost seem that nearly the whole intelligence of the country outside of parliament is required to watch the said parliament and see that it does as little mischief as possible. The best thing both the people of the country and its parliament can do, so far as the banks are concerned, is to let them alone and give themselves no concern about them.

This is the style of criticism that appears in one of the leading monetary papers of this country when a humble member of parliament desires to bring forward for consideration amendments which he thinks are necessary and advisable, not only in the interest of the banks, but in the interest of the great public. The banks of this country are unquestionably strong; they have been strong enough to control parliament for many years. There is one body, however, which is stronger, that is, the people of this country; and the people of this country are beginning to consider the manner in which their interests have been taken care of and the manner in which the interests of the banks have been taken care of. In what is to my mind the leading work on banking published in Canada, that of Mr. Falconbridge, appears the following comment on the action of parliament:

In the Bill which he introduced the minister gave effect to the representations of the bankers on all points.

This question arises on the occasion of every revision of our banking laws in this country. Now, the first point to which I desire to call attention is that of government inspection. On that subject the ex-Minister of Finance (Mr. Foster) made a pretty good stand in 1890. He brought down a Bill in which he provided for an independent audit of our banks, and he had the support of such men as the present Lord Strathcona, then Donald A. Smith, an ordinary member of parliament, who said in the debate which took place at that time:

Mr. PRINGLE.

I feel that it is very little indeed to give in order to improve the Banking Act as it at present exists.

You will find that in 'Hansard' of 1890, at page 2249. We all look up to Lord Strathcona as one of Canada's ablest men; we all looked up to him at that time, when he was sitting here as a member of this House; I think he was at the same time a director of the Bank of Montreal. But the bankers were too strong even for the ex-Minister of Finance; they came here in force, and he had to eliminate this provision from his Bill, and bring it down just as the bankers wanted it; and so it continued from that time down to the present. Now, what is the answer of the bankers to the proposal for an independent audit? They say it is not feasible, that it is utterly impracticable, under our system of branch banks. To a certain extent I agree with the bankers; but I say it is perfectly feasible, perfectly practicable, to have an independent audit of the head offices of our banks. Go to every other country under the sun; go, for instance, to Japan, which to-day has modern up-to-date banking laws, and you find there a controller or prefect, as they term him. The Minister of Finance in Japan can say to this official, give me a report on the head office of this bank or that bank. They do not require a monthly return such as we require, which is unsworn-to and absolutely untrue, as it has been proven to be when a bank fails in this country. Take the case of the Ontario Bank—\$7,000,000 reserve, \$1,500,000 paid up capital, securities galore, a return month after month for sixty consecutive months, deceiving the government of this country. Could that have occurred with an independent audit? I say no. An independent audit has to come in Canada. This country is getting to be a great country and the interests involved are enormous. The people of this country have over \$600,000,000 deposited with their banks, and they want some government inspection and some government control; and I am pleased to see that the attitude taken by the very strongest banks in Canada is that the sooner it comes the better.

In 1900 Mr. H. C. McLeod, the general manager of the Bank of Nova Scotia, said that he had urged the government of this country to have an amendment made to the banking laws by which there should be an independent audit of our banks; but the government, sitting quietly by, not seeing what was going on, no independent audit was provided for. But the Bank of Nova Scotia said: We will have an independent audit of our institution; and from that time to the present, every year, two Edinburgh accountants go over the accounts of the bank, so that it gives to its shareholders an absolutely correct statement of every security it holds. That has been followed by the