

upon a change. I think the House will agree with me when I say that if there is any part of our legislation as respects which we should be careful to exercise a whole-some conservatism, it is in legislation respecting our banking and currency. These are difficult and intricate questions at all times, and while it is well, especially in a case like this in which there is much public interest, to discuss the matter here and bring out various suggestions, I hope the House will agree with me that it would not be wise to press this motion to a division. I trust my hon. friend from Stormont will feel that he has accomplished his purpose in directing public attention to this interesting and important subject, and that after all the members who may desire have expressed their opinions, he will feel justified in withdrawing his motion. In all matters touching our banking I think we do well to be careful, and not be hasty to adopt changes which even at the first presentation may seem to be in themselves plausible and reasonable.

I desire to approach these questions with an open mind. I do not desire to feel that we have a perfect Bank Act. Our Bank Act is the matured judgment of many wise and able men who have preceded us in this House, and that is one reason why we should treat it with great consideration, and not be in a hurry to change it, or change it at all unless for strong and urgent reasons. I approach the question with an open mind. I do not wish at present to come to any definite conclusion in the matters that have been mentioned. I do not hesitate to say, however, that upon several questions mentioned by my hon. friend, I find myself quite unable to agree with him. Perhaps the most important question which he discussed was that of government inspection. I confess, without pretending to give a final judgment, that my inclination is strongly against the views he has presented on that subject. I am afraid he has confused two subjects which ought to be separate; he has talked in the same sentence, almost, of government inspection and independent audit, and he has treated the two things as one. Without intending to do so, he has conveyed the impression that what he is asking us to do by his resolution as respects government inspection is simply to follow the example of Great Britain, and to provide the system which exists there. In that he is mistaken. He did not wish to convey that impression I am sure. There is no government inspection in Great Britain. If we talk of independent audit, that is an entirely different question. They have a system of audit, and that system is as open to the shareholders of any bank in Canada as it is to the shareholders of any bank in England. The audit that takes place in England is an audit provided by the shareholders; and if

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any bank in Canada desires to establish that kind of audit there is nothing in our present banking law to prevent it. My hon. friend illustrated that when he mentioned that one of our great banking institutions has of itself adopted the English system, and has brought out chartered accountants from the old country to examine and report upon the affairs of the bank. The fact that one bank has done that shows that there is nothing in our banking law to prevent it. Other banks no doubt will appreciate the value of that example, and they may all have an independent audit, so-called, without any change in the Bank Act.

Now I am disinclined to favour government inspection for several reasons. In the first place, I think it is unnecessary; there is no condition of affairs in Canada that calls for it. In the second place, I do not think it is practicable, for reasons which I shall endeavour to give. In the third place, I think it would be delusive and misleading and would create in the public mind an impression that there had been an audit and examination which could be entirely depended upon; and finally, I think it would impose upon the government of Canada an obligation as respects the character and standing of the banks which it is not desirable that the government should assume.

Now my hon. friend went back for a period of nearly half a century in order to strike averages between the experience of the banking institutions of the United States and those of Canada. I think that is hardly fair. We have made some progress in our bank legislation during that time. If my hon. friend wants to make comparisons, instead of going back 43 years, I think he might take the experience of the past few months when we had a very severe financial stringency, not only in Canada, but still more in the United States, and to a considerable degree throughout the commercial world. There is no government inspection in England, but the English banks came through that period of stringency successfully. I cannot recall any British bank which failed during the recent financial stringency. The banks of Canada have no government inspection, but there was no bank failure in Canada, in the proper sense of the word, during this period of stringency. Across the line they have bank inspection, and in a very large way, and what is the result? Instead of showing that firm standing which Canadian banks have shown, a number of American banks have gone to pieces and depositors have lost heavily. I think a comparison of the experience in the United States and the experience in Canada during the last few months, or the last few years, is a fairer comparison than one going back for half a century. If we look to the history of Can-