

tion of banking affairs, made perhaps at periods unexpected by the directors and cashiers. Such an inspection would have the effect of keeping evil doers, if such there happen to be, in check. I believe if such an act had been in operation a short time ago, the catastrophe which befel the Bank of Prince Edward Island would not have happened. Allow me to extend my remarks on this subject a little further, and point out the very proper care which is displayed by the Government of the Dominion with reference to the interests of those concerned in Life Insurance. I presume the reason why parties who have policies in life insurance companies are cared for by the Government is, that the Government have felt that such people are completely at the mercy of these companies—that by making very florid representations and offering great advantages the companies may obtain customers in great numbers all over our Dominion, and that then they may collapse and cause extensive misery. It is felt, of course, that the policy holders are perfectly helpless to protect themselves on such a question as this, because they are and must be in the natural course of things, perfectly unaware of the extent and solvency of the Companies in which they are assured. I would like to ask hon. gentlemen, in what respect do the holders of bank stock differ from the holders of policies in life insurance companies? If it is necessary that policyholders should be protected by the Government through Acts of Parliament, is it not equally necessary that the holders of bank stock should also be protected by the Government, and made secure by the institution of efficient bank inspectors? I have often discussed this question with gentlemen connected with banking institutions, and they have urged many objections. There may be objections, but there are many advantages. I cannot conceive that such an inspection as I advocate would be at all injurious or felt to be an objection by well managed institutions. In my judgment a well-managed joint stock bank would welcome such an inspection. They have nothing to fear from it, and their emerging from the ordeal would enhance the value of the stock and give confidence to their stockholders and customers. On the other hand, the fear of a bank inspector coming

at any time upon a defaulting cashier or a board of directors who have been remiss in their duties, would have the effect of stimulating them in their duties. I speak feelingly on this question, because the Province with which I am connected has been a heavy sufferer from this cause within the last few weeks, and though I feel confident that the result will be favorable, still I believe it would conduce to a return of public confidence in joint stock companies if the Government would come to the conclusion that it is advisable to act in this case as they have acted in the case of life insurance companies, and bring in a measure which would institute a rigid bank inspection.

Of course it is very pleasing to hear that good progress is being made in the great work of constructing the Canadian Pacific Railway. I hope the work will not only be prosecuted with despatch, but what is perhaps of more importance that the work will be thoroughly well done, so that when the road is opened generally for traffic we may have none of those catastrophes and delays which sometimes are caused, owing to imperfections in the permanent way, defective rolling stock and other causes. Of course this can be to a great extent obviated by careful construction in the first instance. That I hope the Government will take measures to attain, also that the fares on this road and freights on this line shall be fixed at the lowest possible rates. One gentleman who preceded me remarked that the rates were much higher than they should be. The Government have the power, and I hope they will exercise it, of reducing the rates to something like moderate bounds. I observe that the Government congratulates the Legislature and the country on the fact that Intercolonial traffic has largely increased and that the line is now self-sustaining. That is certainly a matter for congratulation from one point of view, but perhaps it has not occurred to the Government that some of the traffic has been obtained at the expense of the Provinces which used to obtain goods, which are now carried for their consumption on the Intercolonial, in their own bottoms from Europe and elsewhere, and what has been a gain to the Intercolonial railway has been *pro tanto* a loss to them. That has been so to a large extent in the Maritime Provinces, and though it is a question