

ACT RESPECTING BANKS

Hon. Mr. Rose moved the second reading of the Act respecting banks. He explained that the object of the Bill was to enable banks in one Province to carry on business as corporate institutions in any part of the Dominion. At present they could do so but indirectly, as persons desiring advances on bills of lading, had to obtain the endorsement of a third party.

Hon. Mr. Holton objected to the first clause, which would extend privileges which banks now enjoy under their special charters without any application from them. The effect of the clause would be to increase the power of the Bank of Montreal and extend the influence to the Maritime Provinces, which was not in the interest of the country. That was the only bank which would avail itself of the provision.

The Bill was read a second time, and passed through committee without amendment.

Mr. Godin moved to amend, by substituting for 17th section, a provision that no bank shall exact more than 7 per cent for money, under penalty of three times the amount on which a higher rate is charged. At present, banks might charge a higher rate without incurring penalty.

Hon. Mr. Cartier said the amendment would be going back to the old money law; that the general question was not before the House now, but merely a proposition to extend to banks in the Maritime Provinces the same privileges as were enjoyed here, which was only fair, as they bore the same burdens.

Hon. Mr. Tilley supported the amendment, which he believed would be in the interest of the commercial community he represented.

Mr. Savary thought it would be sufficient to enable banks in the Maritime Provinces to charge 7 per cent instead of 6 as at present, and he could see no objection to an amendment which merely gave effect to the prohibition against a higher charge.

Hon. Mr. Dorion favoured the amendment. Banks, at present, might charge any rate, and were often mere shaving shops. While individuals were open to severe punishment for charging more than 7 per cent, banks practically might charge what they pleased.

Sir John A. Macdonald thought the general question of the rate of interest should not be introduced on reading such a Bill as this. It would come up in its proper time.

After debate, on division, the amendment was lost—**yeas, 40; nays, 76.**

Mr. Dorion repeated that the effect of this Bill would practically be to permit the banks in the Maritime Provinces to charge any rate they pleased, while individuals were restricted to 6 per cent. We had heard a great deal about the effect of the power of the Bank of Montreal in the old Province of Canada, and this Bill would have the effect of extending that power to the Maritime Provinces.

Mr. Gibbs could not agree that the Bank of Montreal was the only one which would avail itself of the provisions of this Bill. The Bank with which he was connected had desired to establish an agency in St. John, but there was no inducement to do so when money could be loaned so much more advantageously here.

Mr. Harrison corroborated the statement of the last speaker. He desired as much as anyone to see the power of the Bank of Montreal crippled; but there were other banks desirous of possessing facilities to meet the requirements of the trade with the Maritime Provinces.

Hon. Mr. Rose having moved the third reading of the Bill,

Hon. Mr. Holton objected, saying that he could not move that, after reflection, Government would to-morrow persist in passing the Bill in its present shape.

The third reading was ordered for to-morrow.

INTERCOLONIAL RAILWAY

Mr. Johnson then resumed his remarks on the third reading of the Intercolonial Bill. He contended that the last speaker on the subject (**Mr. Fisher**) in opening the north shore route, spoke of a country of which he was ignorant. The report of Major Robinson showed that it possessed agricultural advantages and facilities for settlement superior to those of the country through which the other proposed lines would pass. **Mr. Fleming** had also spoken favourably of the same route, though, of course, he had not recommended any particular one, as that might have interfered with the carrying of Confederation. When it was known that the North Shore route