

the bank's position?—A. Yes, the Act gives me very wide powers in that respect; Section 54A, under which my appointment was made. I have never had any difficulty or been denied information on any occasion since I have occupied this position.

Q. Would you feel absolutely sure, after you have examined the bank, and found it in good standing, that no information had been withheld in any way?—A. I do. Taking into consideration that I have access to all their internal inspections; that is to say, the inspections carried out at each branch of the bank by their own officers; and I also have a right to the information obtained from time to time by the shareholders' auditors. I am free to consult them, and they must, under the Act, afford me every facility.

Q. You would say that your position does provide an additional safeguard to the public in so far as banking is concerned?—A. I feel that it does.

By the Chairman:

Q. How long have you been with the Government, Mr. Tompkins?—A. Since October, 1924.

Q. Was the creation of your office then?—A. Yes.

By Mr. Spencer:

Q. Mr. Chairman, may I ask Mr. Tompkins a question with regard to inspection work. It will be remembered that in 1924, we had considerable discussion in this Committee in regard to the Home Bank failure. Are you aware of that?—A. Yes.

Q. That bank, I believe, was in a rather precarious state for a number of years owing to the reports of a certain auditor. Is that so?—A. I believe that was so. I have had occasion to discuss their affairs with the liquidator of the bank, Mr. Clarkson, and I believe their whole trouble was incompetent auditing, and the fact that an undue proportion of their assets was tied up in large loans of a very doubtful character.

Q. If your position had been created before that time—would it be possible that such a thing could have occurred again?—A. I hardly think so.

Q. You would be in a position to discover that slackness or error?—A. There would have to be such a collaboration, such a combination of deceit practised by so many of the officers of the bank that I could hardly think it possible that it could be carried through successfully—I say it in all modesty—to deceive me in an examination such as I conduct.

Q. Then the Committee was fully justified in arranging for the appointment of a Government Inspector?—A. In my opinion, I would say so, yes.

Q. I do not want to monopolize the time of the Committee, but I would like to ask a few questions with regard to unclaimed balances in banks. By a return given to the House the other day, we were shown that there was a sum of \$2,756,745 in unclaimed balances. How long has that been accumulating?—A. Some of those balances are twenty, thirty, or forty years old; a few.

Q. Is there any interest allowed on these accounts?—A. Oh, yes. Interest accrues on the ones which are interest-bearing accounts. Interest accrues notwithstanding the fact that they have not been claimed.

Q. At three per cent?—A. At three per cent, yes.

Q. Is there no clause in the Bank Act that calls for these amounts after a certain time to be turned over to the Finance Department?—A. No. The only occasion on which they would be turned over to the Finance Department would be in the event of the failure of the Bank. If its assets realized sufficient to provide for all depositors' claims, then at the close of the liquidation such amount as was outstanding would require to be paid over.

[Mr. C. S. Tompkins.]