

they say you have no right to inspect us. Every public utility should be inspected, and surely it should not be impossible to devise some system of inspection of banks that would give a better guarantee than we have to-day. It should not be more difficult than to inspect insurance or railway companies.

Some years ago I joined with the Hon. Peter White in an effort to amend the Banking Act in several lines. One suggestion was to compel the banks to hand over to the state unclaimed balances lying in their hands for more than a certain time. That is, where an account had been kept in a bank, say by a man for his son or daughter to be given to the child on its attaining maturity, and by the accident of life that man should be taken away and no claimants should appear for the money, then it should be escheated to the Crown. Why should the bank have that money? Is it theirs? Members from Ontario will remember the discussion over the Mercer Escheats Bill there. Mr. Mercer died, leaving land, money, and goods and the property was escheated to the Crown because there were no heirs. Should not the same principle apply to money in the bank as to real property? However, the corporations were too strong and we could not get it.

We also desired to compel the banks to publish a statement of the money thus held in their hands unclaimed. They would not do it and we held up the Bill for nearly three weeks. Sir John Macdonald said to us once: You cannot get the House to consent to your proposed amendment, but the banks are willing to go half way and publish every five years a statement of the unclaimed balances in their hands, but they will not give them up. He explained that as they commenced to publish them this system would of necessity bring out a report every year, because the five years would be maturing each year and a new return would be necessary. We accepted this compromise although it was only a half way measure. What was the result? I have in mind a partner of my own who had been doing business for years in one of the banks. His account was closed, but afterwards, starting business for himself, he did business for years and years in that bank, and although visiting the bank every week or two, not a word was said to him about an unclaimed balance standing in his name; he first knew of it when the report of unclaimed balances was published. He then drew out the amount, which it is true was small, only some \$27 or \$28, but it was his money, not theirs. Why should they keep that from him? They had kept the account and kept it incorrectly; when they audited the account they saw the mistake, but still retained the money although he frequently visited the bank. I contend that

Mr. SPROULE.

these balances if unclaimed for a certain length of time should be turned over to the state periodically because they are not the property of the banks. In that respect we ought to amend the Bank Act. I agree entirely with the hon. member for Cornwall that banks ought to be subject to regular government inspection and scrutiny, and be surrounded by the same safeguards as any other public utility. Parliament ought to pass a law for that purpose, whether the banks like it or dislike it. There ought to be more stringent regulations in regard to circulation. If there were, we would not have had such occurrences as we had in the case of the Ville Marie Bank.

Mr. FIELDING. The law has been amended since that.

Mr. SPROULE. It has been, but it is not respected. We ought to provide that the government shall issue the money stamp and sell it to the banks. I see no reason why the banks should be allowed to stamp paper and call it money and get the full benefit of it. I think provision ought to be made in regard to the percentages of capital reserve which may be loaned to any one borrower. Provision ought to be made to restrict the loans of banks on stocks and other securities of that kind. Provision ought to be made to restrict the amount a bank may loan to its directors, because they can manipulate its resources in such ways as to loan to themselves to almost an unlimited extent, frequently bringing disaster to the bank and to those who invest their money in it or have its bills. We ought to limit the rate of interest on discounts which the banks may contract for, and we ought to revise the powers of the Bankers' Association. All moneys held by banks after a certain time, for which there is no claimant, should be passed over to the state. These moneys are not honestly theirs, and they have no more right to keep them than I would have to keep money loaned to me by another man if he died without any heirs. I would have to give the money up, but the banks can keep what they have. I think we ought to take power to issue bills and supply them to banks; we would then have them under better control than we have at the present time. I make these observations because I regard it as my duty to do so, not because I have any feeling against the banks. It is as pleasant a task for me to criticise the banks as it would be to criticise a loan company, a railway company, a telephone company, a telegraph company or any other great corporation that supply the utilities of life. I regard the one with no more fear than I regard the other, not one whit; and I would consider myself as wanting in moral courage or in regard for my duty