

any legislation authorizing the banks to do business and clothing them with authority to control this vast sum of money that does not belong to them, may very reasonably contain provisions restricting the banks in the use of such money. So I take it that that is the foundation reason for the provisions of section 79; that the banks not being the owners of the larger part of the money that they control, Parliament takes the right to say what they shall not do with this money which does not belong to them. That is to say, of the money which belongs to the people whom Parliament represents, Parliament has the right, and it is the duty of Parliament, to say how far a bank may go in its disposition. I take it that this section contemplated the possibility of such a condition as exists to-day, a condition in which the money of the people is used or liable to be used by the banks for purposes that are more in the interests of the banks than in the interests of the owners of the money. It was contemplated by those who framed the Bank Act that the banks would want to use the money of their depositors to construct buildings which would give them prestige in the eyes of the public, and thereby assist in advancing their business, and it was considered by the framers of the Bank Act that that was not a proper use to which to put that money.

But I gathered from what my hon. friend the Minister of Finance said, that it is not the money of the depositors that is used for the erection of those buildings, that it is the money of the banks; that is to say, it is either the money of the shareholders or the profits of the shareholders that are employed in the purchase of those properties and in the erection of buildings. If that be the fact, and that fact is guaranteed, then the contention that the money of the depositor is being used for this purpose falls to the ground, and the interest of the depositor is sufficiently protected.

But there is nothing in the bank returns which show conclusively whether it is the money of the depositors, or the profits of the bank that are being employed in the erection of those buildings. I maintain first of all, that such a statement should be produced by the bank from year to year, so that it would be known conclusively whether those properties were being acquired out of the money of the depositors, or out of the money of the shareholders. It is desirable that that should be known for this reason: My hon. friend the Minister of Finance has said that it is desirable that the bank should keep its funds in liquid form, because when money is placed on deposit with a bank, the bank is liable to be called upon to return that money at any time. Therefore, it is all the more necessary that money, which the bank is liable to be called upon to return at any time, should not be in

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such a form that it cannot be returned at any time. Under any circumstances, money that belongs to the depositor should not be tied up in permanent form in real estate investments, at any rate, beyond the immediate necessities of the bank itself. That, I think, will be taken for granted. When such large investments are being made, it is right and proper that the Government, as trustees for the public, should have knowledge as to the use that is being made of that money. We will assume that none of the depositors' money is being used in that way. We will assume that those properties are purchased and buildings erected thereon out of the money paid in by shareholders, or out of the profits made by the management of the bank. If that be the case, if those buildings are built out of the bank's legitimate profits, there is no question that the buildings properly belong to the shareholders of the bank. On the face of it, they have a right to erect such buildings as they please, and to invest in such property as they please with the profits that they have made. But then we come to the point made by my hon. friend from Queens and Shelburne (Mr. McCurdy), that if those properties are acquired and those buildings are erected out of the legitimate profits made by the banks, the banks are certainly making more money than they are entitled to make, and the fact that, instead of listing in their statement of assets those properties at cost, or at their present value, they list them at half or less than half, in fact at only a nominal value, is absolute evidence that if those buildings represent bank profits, the banks are afraid to state to the people of Canada what their profits are. They are deliberately carrying on business at a scale of profit which they are afraid to let the people of Canada know for fear that when the Bank Act comes up for revision, as it comes up to-day, measures would be taken to bring the business more in line with the hints thrown out by the hon. member for Queens and Shelburne. It has been said that it is not possible to interfere with the law of supply and demand in the matter of over-paying interest on deposits or fixing a limit of interest to be paid on loans. But this whole Bank Act from beginning to end is an interference with the law of supply and demand. It is a special provision, giving special powers, under special limitations, for special purposes, and certainly if it is evident that under the privileges and powers given by Parliament to those financial organizations they are able to make such profits that they are afraid to give the facts to the public, I think it is a condition of affairs that calls for earnest consideration, and