

July 7, 1944.

The Standing Committee on Banking and Commerce met this day at 11 o'clock a.m. The Chairman, Mr. W. H. Moore, presided.

The CHAIRMAN: As announced some days ago, we set aside to-day for the purpose of considering section 55, the functions of the bank auditor, and we have present Mr. Clarkson. I would ask Mr. Clarkson to please come to the platform I am going to ask Mr. Tompkins to make a brief introduction of Mr. Clarkson so far as it may bear upon his functions.

Mr. TOMPKINS: Mr. Chairman, it is scarcely necessary for me to introduce Mr. Clarkson to the committee; but for the benefit of those members who are not aware of his position and qualifications, I might say that he is a member of the chartered accounting firm of Clarkson, Gordon, Dilworth and Nash of Toronto and also of the firm of E. R. C. Clarkson and Sons of Toronto. Mr. Clarkson has acted at various times as shareholders' auditor of banks under section 55; and he has also had the distinction, if I might so term it, of having acted as liquidator of four different banks, namely the Monarch Bank of Canada, the Sovereign Bank of Canada, the Farmers' Bank of Canada and the Home Bank of Canada. Those three banks last named are mentioned in exhibit number 5 at pages 110 to 112 of the proceedings and evidence of this committee this year.

The CHAIRMAN: Thank you, Mr. Tompkins. Mr. Graham has the floor.

Mr. G. T. CLARKSON, C.A., called:

*By Mr. Graham:*

Q. Mr. Clarkson, your firm is, as Mr. Tompkins has told us, Clarkson, Gordon, Dilworth and Nash?—A. Yes.

Q. And is it in the capacity of a member of the firm or as an individual that you act as shareholder's auditor of one or two banks?—A. No, in a personal capacity, drawing my assistants from the firm.

Q. From the firm?—A. Yes.

Q. What bank is it that you are shareholders' auditor of at the present time?—A. The Bank of Commerce and the Bank of Toronto.

Q. For the information of the committee, what other banks have you acted for in that capacity in the past?—A. I am a co-auditor, but it is not my year, in the Bank of Nova Scotia—at the present time. In the past I audited the Metropolitan, the Standard, the Dominion, and my partner the Imperial.

Q. So that you can safely be said, Mr. Clarkson, to have had a very wide experience?—A. Well, I have had some.

Q. In the duties assigned to a shareholders' auditor?—A. That is right.

Q. The Act, as you know, calls for the selection by the shareholders of two auditors.—A. That is right.

Q. Who is your co-auditor of the Bank of Toronto and the Bank of Commerce at the present time?—A. Mr. Glendinning in the Bank of Toronto and Mr. Shepherd in the Bank of Commerce.

Q. Mr. Glendinning?—A. Yes—in the Bank of Toronto.

Q. In both banks?—A. No I am principal auditor for the Bank of Toronto.

Q. Yes.—A. At the present time my associate is Mr. Glendinning in the Bank of Toronto. I am an associate auditor in the Bank of Nova Scotia. I am not the auditor this year. Somebody else is there in my place. I am associate auditor in the Bank of Commerce,—associate auditor for this year.