

the buying power of the dollar and of practically determining the price level is too important a function in our economy to be entrusted to the hands of private individuals. We all can see what a tremendous influence that has on our life especially when we remember that our debts have to be paid in terms of a rubber dollar. This may mean that the debts are doubled or that the debts are halved, without any statutory change but simply because of the changing value of the dollar or of the price level, over which the government has no control but which is entirely in the hands of the banks.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, before the bill receives second reading I desire to make a suggestion to the Minister of Finance (Mr. Rhodes), and I am sure he will welcome it because I propose to show him a method by which he can acquire for his government something in the neighbourhood of three millions of dollars. In the present condition of the finances of Canada and the still very sluggish state of the revenues, I am quite satisfied that even the Minister of Finance in a Conservative government will welcome from one in this corner the suggestion of a method by which he may acquire three million dollars.

Mr. MANION: That is something new.

Mr. GARLAND (Bow River): And by the way he might use it for railway construction in Peace River country or some other good work.

If the Minister of Finance will turn to section 114 of the Bank Act he will find that it provides:

The bank shall, within thirty days after the close of each calendar year, transmit or deliver to the minister a return as at the end of such calendar year

(a) of all dividends which have remained unpaid for more than five years; and

(b) of all amounts or balances in respect of which no transactions have taken place, or upon which no interest has been paid, during the five years prior to the date of such return:

Provided that, in the case of moneys deposited for a fixed period, the said term of five years shall be reckoned from the date of the termination of such fixed period.

Then section 115 provides:

(1) If, in the event of the winding-up of the business of the bank in insolvency, or under any general winding-up act, or otherwise, any

[Mr. Woodsworth.]

moneys payable by the liquidator, either to shareholders or depositors, remain unclaimed, (a) for the period of three years from the date of suspension of payment by the bank;

(b) for a like period from the commencement of the winding-up of such business; or

(c) until the final winding-up of such business, if the business is finally wound up before the expiration of the said three years, such moneys and all interest thereon shall, notwithstanding any statute of limitations or other act relating to prescription, be paid to the minister, to be held by him subject to all rightful claims on behalf of any person other than the bank.

I happened to look up the figures recently in respect of unclaimed bank balances, and I find that they run something over three and a quarter million dollars. The annual calls made on these unclaimed balances do not amount to more than twenty per cent of the total amount at any time, I am informed; in fact, in recent years it has not approximated twenty per cent. It would therefore be quite safe for the government to make provision for an amendment to the act by which it could either tax the eighty per cent of the unpaid balances into the treasury or expropriate them by an amendment to the act taking, of course, full responsibility for meeting any such claims if and when they arise. The thing has been running for so many years now that there is no danger of any risk or loss in connection with the matter, and if the government desired to do so it could permit the banks to retain the twenty per cent to meet possible claims and also to carry on a full accounting of the other unpaid balances. There would doubtless have to be a service fee paid to the banks for services of that nature, but I do in all seriousness submit that it is possible to acquire a healthy fund of very useful credit or currency in this fashion.

There is another point to which the attention of the government might be directed. So far as I can ascertain, at the end of the five year period, five years after the owner of an unpaid balance in the bank has failed to make application for it, the interest does not appear to be computed. In other words, in the returns made to the government I find no indication that the interest on the unpaid balance is maintained and reported upon once the five year period has expired. Frankly I do not think that is quite proper, and the government would be entitled in my opinion on taking over these balances to the full amount of the accrued interest. The sum doubtless would be a very substantial one. I make that suggestion in the hope that it may