

BANK ACT AMENDMENT—*Con.*

business of banks which the Minister of Finance may require to be made.—Mr. White, 1170.

Resolution considered in committee.—Mr. White (Leeds), 1267.

*Carvell, F. B.* (Carlton, N.B.)—1269.

Would this auditor have the right to go into an investigation of the affairs of any particular account or asset, 1269. Was afraid that unless the minister goes to that extent it will not amount to very much, 1270.

*Emerson, Hon. H. R.* (Westmorland)—1271.

Has the minister considered this feature, that while, normally, the auditor appointed would be appointed by the shareholders, yet in reality and practice he would be the appointee of the directors? 1271.

*German, W. M.* (Welland)—1268.

Will there be a separate auditor for each and every bank, appointed by the shareholders, so that if the minister wants a special report from any particular bank he will obtain it from the auditor appointed by the shareholders of that bank? 1268.

*Maclean, A. K.* (Halifax)—1269.

Is this inspection imperative or optional under the English Act?—1269.

*White, Hon. W. T.* (Minister of Finance)—1267.

The resolution itself refers to one of the provisions of the new Act under which an external audit by auditors appointed by the shareholders of the bank at its general meeting is provided for, 1267. Under the present Act authority is granted to the Minister of Finance to ask for a return or statement from the banks, the return to be verified by the auditor appointed by the shareholders. Have considered it desirable that any special services rendered by the auditor should be paid for by the government, 1268. The Fielding revision of the Bank Act provided that the shareholders may appoint auditors. I have gone a step further. I believe the plan outlined follows the English system. We are making the inspectors imperative in this case. There will be an auditor or auditors for each of the banks. The auditor appointed by the shareholders will make the report to the minister, 1269. It would not be necessary to look into an account. Without question if any suspicion of fraud were thrown upon accounts—it would be open to the government to ask the auditor for a special report, 1270. Was of opinion that the shareholders of a bank would be careful to see that a firm of reputable outside external auditors is appointed, 1271.

## BANK ACT.

Motion for leave to introduce Bill No. 36.—Hon. Mr. White, 1271.

BANK ACT—*Con.*

*Currie, John A.* (Simcoe, N.)—1288.

Rose to a point of order. The custom of the House not to permit any discussion on the first reading of a Bill. Pugsley is making a speech. He can only ask questions.

*Emerson, Hon. H. R.* (Westmorland)—1279.

Asks if any portion of gold deposited finds its way back to the banks on deposit for the trustees who hold it in trust, 1279. The minister in speaking, limited it to the farmers of the West. The minister is merely extending the privilege? 1281. Are all transactions of the Treasury Board concurred in and approved of by the Governor in Council. Does not the Treasury Board report to council? 1283.

*Guthrie, Hugh* (Wellington S.)—1278.

Will the minister explain whether or not the government now issues legal tender in excess of the gold reserve, and what power the government has in that respect, 1278. Is the whole issue of \$500 bills secured by gold, 1279. Would have been obliged if the minister had given a little more information as to the scope of his proposed independent audit, 1286. Asks what is the English system in regard to joint stock banks, 1287.

*Laurier, Rt. Hon. Sir W.* (Quebec E.)—1286.

The point is that at present the notes are the first charge upon the revenue of the bank; but there is a provision in the Act making a fund out of which the notes are to be retired. The suggestion is: could not a similar fund be made for the depositor, 1286.

*Maclean, A. K.* (Halifax)—1275-77.

Asks if gold fund will have any special designation, 1275. Will government make any charge for the issue against gold?—1276. How much of an increased circulation will this give to the banks if they avail themselves of the privilege up to the full extent of the gold deposited in the central reserve?—1277.

*Murphy, Hon. Charles* (Russell)—1280.

Asks would it be convenient for the minister, now or later, to indicate in what respect his Bill differs from that of Mr. Fielding, 1280.

*Nesbitt, E. W.* (Oxford, N.)—1277.

What check would the department have over the issue of notes and the return of them?—1277. Is it the intention to send this Bill to the Banking and Commerce Committee?—1278.

*Oliver, Hon. Frank* (Edmonton)—1287.

It is commonly stated that there are banks which hold property which cost many millions of dollars, and which is charged in their accounts at trifling amounts. Is there any provision for discovering that and giving the information to the public?—1287.