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SIR THOMAS WHITE ISSUES REPLY TO HOME BANK REPORT

**Judge Formed Opinion Eight
Years After Event and
With Full Knowledge**

DID HIM AN INJUSTICE

**Report Made No Reference to
Assurances Given to
Minister by Western
Directors**

(By Canadian Press.)

Toronto, June 12.—Sir Thomas White today, commenting upon the McKeown report in the Home Bank inquiry, said: "As to the commissioner's finding on the facts as he was authorized to do under the Inquiries' Act, I have no comment to make. In this regard the report adds nothing to information already possessed by the public and widely discussed by the press.

"As to the statement of the commissioner that the condition of the bank as revealed by representations made to the Minister in 1916 and 1918 was such as to justify an investigation under the powers conferred upon the Minister by section 56 A of the Bank Act, the commissioner had no power or authority under the Inquiries' Act to make any such finding. His statement in this regard is, therefore, a mere expression of his personal opinion, devoid of any judicial weight or value whatsoever.

"It is, moreover, an opinion formed eight years after the event and with full knowledge as to the bank's condition as revealed by the investigation of the liquidators, but which in 1916 and 1918 was concealed from the Minister by false and fraudulent statements received from the bank.

"It is for the Minister and for the Minister alone in the exercise of his honest judgment as to the circumstances and conditions at the time to decide what course, under the Bank Act, he will pursue. The statute is not mandatory but permissive, and for the exercise of this purely discretionary executive action the Minister under constitutional law is responsible only to Parliament, and not to any commission or other tribunal whatsoever."

Sir Thomas said that in deciding, as found by the commissioner, to call for special returns under section 113, and a report from the bank's auditor under 56 A, and in deciding not to make an external investigation which would have caused a run on the bank, whether solvent or insolvent, he had necessarily had regard to the reassuring statements made to him by Mr. Crerar and the western directors (who had previously made complaint) to the effect that no external audit was required, and to the financial conditions prevailing at the time, which was at the most critical period of the war, when the maintenance of national credit was vital, and when a run upon the Home Bank was likely to be much more severe upon the bank than it would have been in time of peace. It was very strange, said Sir Thomas, that the report, at least as published, made no reference whatever to the assurances given the Minister by the western directors as to the bank's condition and prospects, or to the critical financial conditions prevailing at a time when the nation was engaged in a life and death struggle for its existence.

Sir Thomas further said that it was absolutely impossible for the commissioner or any other living man to place himself in the position of the Minister of Finance in 1916 and 1918, and say now what he would have done then if he had been Minister. Moreover, the commissioner never had been and never would be Minister of Finance, and the expression of his personal opinion as to what he thought he would have done if he had been Minister, and whether he would have felt justified in ordering an external investigation of the bank, was without special value.

Sir Thomas concluded by saying that he had, through his evidence and argument before the commissioner, placed the facts fully before the Canadian public, who were the final court for the determination of all questions arising as to the proper discharge of their duties by ministers of the Crown.

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