

the value of bank premises. Take a bank building such as that of the Bank of Montreal, and the Bank of Commerce on St. James street in Montreal. What is the fair value of these buildings? There is nothing more difficult than to value such buildings. It would not be fair to say the land is worth so much and the buildings cost so much and put the two together, because in connection with all buildings designed for a special purpose, you have to take into consideration the market for such. I can illustrate that in a simple way: a house that is valuable for the use of the ordinary class of citizen always finds a ready market because there are hundreds of citizens who are looking for that class of house, and it is well within their means; but if we have a house to sell that cost two or three hundred thousand dollars, and which is built on a site worth one hundred thousand dollars more, then your market for that property is a very narrow market and you have to sell such a house at a great sacrifice in order to realize. If there happens to be some individual who wants that house, he will not pay more than he is obliged to pay, as competition in that case would determine the price. In buildings designed for a special purpose, there is usually a heavy depreciation when you come to sell. Let us apply that principle to bank buildings. Take a bank building used solely for the purposes of a bank, and built as they nearly all are, expensively—because the banks like to advertise their financial strength by a handsome building, to which within bounds I do not take exception as I think our civilization demands that; I like to see a certain taste and ornamentation and expense within bounds on the part of the large financial institutions in a country such as ours, and I think we will all agree as to that. But when you come to value a bank building suitable only for the purposes of a bank, then the only purchaser for that building would be another bank, and if the other banks are provided for as most of them are you sometimes have to sell it for simply the value of the land; the building being suitable only for the one purpose it is not valuable to other parties who may desire the site for another class of building. Take the Bank of Montreal on St. James street, Montreal, which is a magnificent building of handsome architecture, porphyry pillars inside; an enormously expensive building, and ask yourself what would that sell for? That is a very difficult problem. It is, therefore, difficult to comply with the view of my hon. friend that a valuation should be made. The cost would be misleading. If the banks would show that the land and the buildings cost so much, that might be mis-

Mr. WHITE (Leeds).

leading as to their financial strength, because the premises are not immediately convertible into anything like the figure they would be set down at. Another thing, the real estate is increasing in value all the time, while the building itself would be depreciating. I had a very great deal to do with valuations in the city of Toronto many years ago, and I know there is nothing more difficult to value than buildings erected for special purposes.

Mr. LEMIEUX: Take for instance, a church.

Mr. WHITE: Yes, a church is another example: It is extremely difficult to place a value on a church. I do not wish to magnify the difficulty; I suppose we are here to get over difficulties if we can. My hon. friend moved his amendment in the committee, and having regard to the evidence given and the returns, which are of the same class as the English returns covering the real estate, I think the committee reached the conclusion that they could not improve upon the clause as it stands. I think, however, we can say that it would be very much in the interest of the banks themselves that they should take notice that there is a growing feeling in the community against their erecting large buildings such as have been erected in various parts of Canada, thus locking up considerable part of their available capital. Unless I am very much mistaken, the banks themselves have reached that conclusion. If my hon. friend (Mr. Emmerson) desires to press his amendment I would like to consider it, but having regard to the conclusion reached by the committee, I am rather of the opinion that it would be wise to accept their finding and allow the section to stand as it is.

Mr. EMMERSON: I was not convinced that the committee were at all unanimous, or that there was a general feeling among the members of the committee that there should not be publicity. There was some question with respect to the getatableness of just the amount of money that was invested by banks in buildings, but if we let this clause stand as it is, we are in one sense simply saying that banks can only invest in buildings for their actual use. At the same time every hon. member knows that the banks are investing and expending large amounts in buildings which are not confined to their own use. My hon. friend's assertion as to the necessity of banks building sky-scrapers, in order that the rental cost may be lessened is an argument against this section as it stands.

Mr. WHITE: I do not approve of banks building sky-scrapers.

Mr. EMMERSON: Their assertion is: We have expended large sums in certain