

14-15 GEORGE V, A. 1924

Receiver General's office in Toronto is a very busy office. It does a tremendous volume of business in taking care of the banking facilities in the province of Ontario. In addition to that, we have put on to them the handling of our bond issues, and to carry on savings accounts there with the public would entail quite a bit of overhead expense which could be handled by the Post Office. The Post Office takes care of the Toronto savings.

Q. Could a client of that savings bank who had money deposited check it out?—A. He had to give notice.

Q. In a Government savings bank?—A. Yes.

Q. They could not get a marked cheque?—A. No.

Q. And in the Maritime Provinces and British Columbia they can not get a marked cheque against their deposits?—A. No.

Q. Why should not a depositor in the Government Savings Banks have the privilege that the public have in the other savings banks of checking out their money?—A. I believe that the Post Office Department are now making arrangements to modify that to a certain extent so that a depositor can at once draw up to a certain sum.

Q. I have a notice on the order paper to that effect. I want that to come out. Do you know anything about the Government Savings branches in the Province of Ontario?—A. No, that does not come under the Bank Act at all.

Mr. W. F. MACLEAN: I have got the answer that this excellent Government savings bank that we had in Toronto—

Mr. HUGHES: Is it excellent?

Mr. W. F. MACLEAN: It can be made excellent but somebody conspired to close that office in Toronto. That is the charge I am making. It was not done by the present Government it was done in the old days, but it was done. I will make an argument further on, but I have got the admission of the Department that the excellent Government savings bank which did function in Toronto has ceased to function now and does function in these other provinces. I want you, Mr. Chairman, if the Committee will join me in asking for it to have a representative of the Government's savings branches in the Province of Ontario come here and give evidence as to the Government organization in that province. I suppose you may have to address the Prime Minister of Ontario or the Provincial Treasurer but allow him to come here and give evidence as to the workings of that savings branch in Ontario. I will make that a motion.

*By Mr. Healy:*

Q. Mr. Saunders, did I understand you to say, or rather did you say this morning that the Home Bank bills when used were as good as any other bills?—A. Yes, to the public; I do not think there is any doubt of it.

Q. Nor do I, but let me quote from Mr. Justice McKeown's report, page 25. (Reads).

“The total paid-up capital and reserve of the bank had been lost.” What is the legal basis of the issuance of currency under the Bank Act?—A. The issuing of notes by the bank itself to the extent of the unimpaired paid-up capital.

Q. So that in 1916 there was no legal right for the Home Bank to issue any notes?—A. No, and yet if they issued any additional notes—you know that one of the main things a bank tries to do is to put out its circulation, and as soon as the bank is able it will get a circulation equal to its paid-up capital. If the Home Bank, previous to the point where you say it had its capital unimpaired—supposing it had out a certain circulation in 1913, could we not take that as a date at which its paid-up capital was not impaired?

[Mr. J. C. Saunders.]