

from his own city. I remember purchasing the corner of Jasper and First avenues in Edmonton for a financial institution I represented at \$350 a foot; but afterwards building in another place and not needing the property, it was sold at \$2,000 a foot, and I suppose it is now worth \$2,500 or \$3,000 a foot. I submit that so far as a return by the institution holding that particular corner is concerned, it would be more to the interest of the public that the fair valuation of that corner should be incorporated in the return. What I have in mind is that the banks should indicate to the public what their holdings of real estate are worth on a fair valuation, so far as it can be ascertained by the exercise of good judgment. The English financial system inclines to the view endorsed by Mr. McLeod that the banks should show their holdings of real estate at a low figure. I have in my hand a return of one of the principal banks in London, and I find this wording:

Bank premises, chiefly freehold, at cost or under.

In other words, if they had written off half the cost, then only half the cost would appear as the valuation. The English practice has been to consider it meritorious to show the valuation of bank premises under and not in excess of cost. The financial position of the Bank of Montreal was judged to be extremely sound, and the bank had a very high standing, because, among other reasons it showed its entire premises which were worth perhaps several million dollars at only \$600,000. The reason that opinion prevails is that the financial community likes to see a bank's balance sheet liquid; it does not like to see too much money locked up in real estate, because it is not immediately realizable and available for the purpose of meeting demand liabilities. The committee had in view that it is possible for the banks under the returns now made to show a condition that is misleading inasmuch as the bank may have very valuable bank premises written down to one-third or one-half their real value. I would submit for the consideration of the committee what I had in mind when the Bill was before the Banking and Commerce Committee but did not submit because the committee decided that the making of a return on assessed values might be misleading; and of course banks are a fair mark for municipalities who desire to obtain the full taxation therefrom. I would submit, as an amendment to clause 79, the following:

The bank shall annually, during the month of January, make to the minister a return showing in detail the fair market value of its real and immovable property held under this section.

I do not believe that the clause referring to the actual use and occupation of the bank could be strengthened, and this amendment will provide for the fair valuation of the premises of the bank which can be checked by any person who desires to check it. In that way we will have the fair market value of the premises which may be subject to such comment as the public may desire to make on it. I do not believe the banks will suffer at all in public estimation if their balance sheets show in respect to their real estate about its exact value.

Mr. EMMERSON: The amendment of the minister covers the point as to publicity which I had view. I can appreciate the difficulties with respect to exposing the banks to an admission of their false position in the past if we were to limit their holdings to five per cent of the combined capital and reserve, because if we did so evidently it would be out of proportion to existing conditions. Apparently, if it were possible to get at the real value of bank premises throughout Canada it would be found that probably nearly twenty-five per cent of the combined capital and reserve of the Canadian banks was invested in real estate, ostensibly for their own use but in reality in many instances for the use of their tenants. I would not wish to move an amendment to clause 79 without the approval of the minister, but in leaving that section as it is we are in a way placing the banks in the position of being real estate dealers.

Mr. OLIVER: While the hon. minister's proposal for publicity is very good, he does not touch the point that I think the country should have information on, and that is the amount of money that is being invested by the banks in these properties from year to year. I am not asking for information in reference to what has taken place in the past. If we are to know what profits the banks are making, we must know what amount of money they are investing in real estate from year to year. It would be satisfactory to the shareholders, after knowing what amount of money went into real estate, to know what value that real estate had from year to year afterwards.

Mr. WHITE: There will be a difference each year. I think we ought to be able to get that information.

Mr. OLIVER: There is no information as to how much money was invested originally, and I think that is something the shareholders are entitled to know. With regard to the section as it stands, and this amendment, I venture to make a suggestion. The law is on the statute-book. The Government is responsible for seeing that that law is carried out. As long as this section remains as it is, it is the Minister of