

APPENDIX No. 1

difference between lending Dominion notes for Dominion obligations, and lending to the Dominion government under Dominion obligation.

The witness retired.

The Committee adjourned until 3.30 p.m.

AFTERNOON SESSION

The Committee resumed at 3.30 p.m., the Chairman, Mr. Vien, presiding.

The CHAIRMAN: Gentlemen, I understand that Mr. Saunders has some further explanations to give to the Committee on a point that was raised this morning. I suppose the Committee will not have any objection to his taking the stand again.

J. C. SAUNDERS recalled.

By the Chairman:

Q. I understand, Mr. Saunders, that you would like to tell the Committee something additional?—A. Just to amplify what was said here this morning in connection with the knowledge or control that some members expressed that the Finance Department should have over the delivery of notes that are printed for the banks. The Department under the law has to leave that to the Canadian Bankers' Association. What I did not say but might have said is that the Canadian Bankers' Association as a practice, monthly, send us a report of their findings. Of course, we are not responsible for it, but we have knowledge in that way of what is going on in connection with the delivery of notes to the banks by means of this monthly report which the Canadian Bankers' Association find to be the fact after inspecting the banks in that respect monthly.

By Mr. W. F. Maclean:

Q. Is there a Government savings bank in connection with your Department?—A. Yes, very limited.

Q. What is it called?—A. The Dominion Government Savings Bank.

Q. Where does it operate to-day?—A. In Prince Edward Island, at Halifax, St. John and Victoria.

Q. That is in the Maritime Provinces and the Pacific Province?—A. Yes.

Q. Is there a Deputy Receiver General's office in Toronto?—A. We call him Assistant Receiver-General.

Q. That Department at one time did take private deposits?—A. Yes.

Q. Will you tell us under what circumstances that very active Government savings bank ceased to operate in Toronto and when?—A. Mr. Maclean, the policy of the Department is—you see the Post Office Department has savings banks all over the country in small places, and it was a case of the Department of Finance maintaining a separate one, and our deposits from the public kept growing less and less, and the management of it became pretty expensive and were transferred whenever we could transfer them to the Post Office and let the Post Office handle the whole thing.

Q. And you will have the same thing in the Maritime Provinces?—A. Yes, as soon as we can. I have it in mind to do that.

Q. They are still operating in the Maritime Provinces?—A. Yes.

Q. I want to know why such an excellent system of Government savings banks with ample security is being discontinued, and why it is being discontinued in my own province, particularly in the city of Toronto. Why did it cease to function as a Government Savings Bank in Toronto?—A. The Assistant

[Mr. J. C. Saunders.]