

the savings bank was established to encourage thrift and to give a place as a substitute for the old stocking, a place to put a man's savings in and not to be withdrawn rapidly, and the idea was, I suppose, that they did not want to go into carrying big accounts but that it would just be for the small depositors, depositors with small amounts. That was the idea of the thing, a thrift scheme.

Q. Considering that the Government is continually wanting money, is there any reason why there should be a limit placed on the amount?—A. That is a question that really takes in policy.

Q. You would give the same answer, I suppose, in regard to the limit of \$5,000 to any one individual depositor?—A. Yes.

Q. Do you know what the policy of the post office department is in that respect?—A. I do not know that it has ever been proclaimed.

Q. You would not like to give a personal opinion as to whether it would be a good or a bad thing?—A. I do not think it would be worth anything if I did.

Mr. HANSON: Is it fair to the witness to ask these questions?

Mr. SPENCER: He has the opportunity of declining to answer.

By Mr. Spencer:

Q. What percentage of interest do the post office savings banks pay?—A. Three.

Q. Did they ever pay any more?—A. Three and a half at one time, a good many years ago.

Q. Did they pay prior to 1897 four per cent?—A. No, three and a half, I think, before 1897.

Q. You are not quite sure of that?—A. No, I do not have the figures, but that is my recollection of it, three and a half.

Q. I think it was four. Do you know why it was reduced to three per cent?—A. Money was getting cheaper at the time it was reduced. Of course it was before my day, but I am old enough to remember that money got considerably cheaper and more loans were floated.

Q. You do not know that any influence was brought to bear so that the post office savings banks would not interfere with private institutions?—A. I do not think there is any record of that.

Q. What is the Post Office Department doing with the money it collects?—A. It is paid over to the Finance Department, and it goes into the Consolidated Revenue Account, the same as any other money that comes in.

Q. It is used for Government purposes?—A. Yes.

Q. That strengthens my argument; the more money that the Government can collect from the post office savings, the more money it could make, because I understand from the Minister of Finance that they are paying five and a quarter on Treasury bills. Do they place this money in the various banks for the time being?—A. No, it goes into the Finance Department. A lot of it goes into the general fund or wherever that money goes that comes in. It is not ear-marked after it reaches the Department.

Q. Is it not deposited in the Government's name in the various banks?—A. No, there is nothing to distinguish it from any other dollars that come in.

By Mr. Hanson:

Q. It goes into Consolidated Revenue?—A. Consolidated Revenue.

By Mr. W. F. Maclean:

Q. And then into some bank?—A. There is no savings bank accounts in any bank.

[Mr. Austin Bill.]