

APPENDIX No. 1

Q. Tell me whether it is not a fact that some years ago an arrangement was made with the banks by which they collected this American coinage and we paid a commission; the American coinage was shipped across the boundary, where it belonged, and it was replaced by Canadian coinage minted at this Royal Mint?—A. That was so, but it was not necessarily replaced by the Mint. The banks shipping, if they depleted their silver holdings, they would have to get Canadian silver in the usual way.

Q. And they would not have to pay for it?—A. Certainly they would have to pay for it.

Q. In purchasing it the Mint was enabled to make quite a bit of money?—

A. In purchasing what?

Q. In purchasing the necessary silver coinage to replace?—A. I see your point. We make a certain amount on our silver coins—

Q. I understand about 100 per cent?—A. Not now, about 50 per cent.

Q. That is quite a lot?—A. Silver was up, you know; it depends on the price of silver.

Q. There is a big profit to be made in that exchange of Canadian coinage for the American coinage, is there not? Or have you investigated the matter particularly?—A. I do not see where the American coinage comes in at all. Our silver circulation goes out as the banks require it for commercial purposes. When they get American silver in and ship it out, that is their business. I may say that the banks are filled up with silver now and have more than they really require.

Q. Has this arrangement with the banks for the deportation of American coinage been eliminated?—A. Yes.

Q. So that the banks have no interest now, from a commercial point of view, in deporting the American coinage?—A. When the exchange is against us, it helps them a bit if there is enough difference to pay for the shipping.

Q. But it has to be against us very strongly before they would be interested in shipping out American coinage?—A. I do not suppose it would cost more than, say, one-quarter of one per cent anyway to send silver across the border.

Q. What I want to draw to your attention is that in past years there has been a tremendous profit made by this which accrued to the Canadian Government. Now, there is not any. What I want to suggest to you is that it is because this arrangement with the banks has been eliminated and there is a lot of American coinage in the country which should be deported?—A. No, pardon me, that is not the reason. The reason is that during the war we had to get a sufficient circulation so that the country would have it for its present needs. It is not the case that American money is here displacing Canadian money. During the war period, the Mint worked night and day sometimes turning out silver for war financial purposes and we were flooded with Canadian coinage.

Q. Do you think that there is no American coinage in circulation?—A. There is, but nothing to—

By the Acting Chairman:

Q. Nothing to write home about?—A. Nothing to write home about.

Mr. SHAW: I know there is a lot in Ottawa.

The ACTING CHAIRMAN: Under the Gresham law all the poorer money driven out by the better American dollar bills and American silver will disappear.

Mr. SHAW: I think you will find that the Gresham law will have to be jacked up a bit before it affects American coinage.

[Mr. J. C. Saunders.]