

In reply to questions asked by Mr. Low at a previous meeting, Mr. Towers tabled the following documents which are to be found as an *Appendix* to this day's Evidence:

Exhibit 23: Bank of Canada, Statement of Ways and Means Advances to Government of Canada, 1939 to 1953 inclusive; and

Exhibit 24: Chart showing the Gross National Product and General Public Holdings of Bank Deposits.

Mr. Towers, in response to a request by Mr. Pouliot, tabled the following documents which are to be found as an *Appendix* to this day's Evidence:

Exhibit 25: Bank of Canada, Staff at Agencies, December 31, 1953;

Exhibit 26: National Accounts: Estimated Expenditure on Goods and Services (Millions of Dollars), and

Exhibit 27: Cheques cashed against Individual Accounts in Clearing House Centres.

Mr. Towers then made a detailed statement in reply to questions asked by Mr. Tucker, at a previous meeting, in respect of:

- (a) The cost to the Bank of Canada of its notes in circulation;
- (b) The difference between the reserve ratios which banks in the United States are required to maintain and those which are now being proposed for the Chartered Banks in Canada, and
- (c) The use of the Discount Rate, or Bank Rate, in Canada as compared with the situation in the United Kingdom and the United States.

(See Evidence)

The Committee then resumed the examination of Mr. Towers on his statement on *Post-War Monetary Policy*.

At 1.05 o'clock p.m., the examination of the Witness still continuing, the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3.30 o'clock p.m. Mr. David A. Croll, Chairman, presided.

Members present: Messrs. Adamson, Balcom, Bennett (*Grey North*), Boucher (*Restigouche-Madawaska*), Cameron, (*Nanaimo*), Cannon, Cardin, Dumas, Fleming, Fraser (*Peterborough*), Hanna, Hellyer, Huffman, Hunter, Low, Johnson (*Kindersley*), Johnston (*Bow River*), Macdonnell, Monteith, Noseworthy, Pouliot, Quelch, Robichaud, Tucker, Weaver, and Wood.

In attendance: Same as at the morning sitting.

The Committee resumed and completed the examination of Mr. Towers on his statement on *Post-War Monetary Policy*.

Mr. Towers was retired, subject to recall.

Mr. K. W. Taylor, Deputy Minister of Finance, was called and made a statement on:

- (a) The operation of the Farm Improvement Loans Act, and
- (b) The Banker-Customer relationship between the Chartered Banks and the Government.

(See Evidence)

At 5.35 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Thursday, April 1, 1954.