

Q. Pardon me, I did not hear your answer?—A. The larger banks draw a considerable proportion of their deposits from abroad. I do not know whether you have taken that into consideration.

Q. How would that affect the consideration?—A. There would not be so large a proportion of the deposits in Canada.

Q. But would not they control a proportionate amount of the business?—A. You are confusing the business abroad with the business in Canada.

Q. No, but you say a large proportion of those deposits are deposits from abroad?—A. Yes. Have you made that distinction in your figures? I have not checked it up.

Q. No, I have not made that distinction. These are just total deposits. But, the point I am making is that, having received the deposits, they would not be any good to the bank unless it used them in the banking business, would they?—A. No.

Q. And therefore, they would, in that proportion be used in the business of the country?—A. No, in this country and abroad. The Royal Bank, for instance, has a very large business in Cuba and the West Indies, and they use their foreign deposits there.

Q. Would not these four control 70 per cent of the business?—A. I would not think so.

Q. Would you not say the four largest banks do about 70 per cent of the business in Canada?—A. No, I do not think so.

The CHAIRMAN: May I interrupt you there. We have Mr. Ross, Secretary of the Dominion Bankers' Association, also present. Perhaps if we do not get them to-day, these details might be given later by him.

WITNESS: Yes, we can give you these details.

By Mr. Ladner:

Q. Now, the liabilities to the public; I can preface my remarks with the suggestion that it indicates the activity of the business in the country?—A. Yes.

Q. Reading now from the Journals of the House of Commons of 1923, Vol. 60 at page 98, an exhibit giving the figures of liabilities to the public at different dates. At the end of the year, 1904, the total liabilities of all the banks were \$587,000,000.

Q. In 1908, \$1,814,000,000, in 1912 \$1,292,000,000. I am leaving out the odd figures. In 1916, \$1,716,000,000. In 1920, \$2,835,000,000. That was the big year, of course. In 1920 there was great activity. Then in 1922, \$2,347,000,000. Now, I see you have the *Gazette* record there?—A. Yes, for January.

Q. On the 31st of December, 1927, the total liabilities amounted to \$3,217,000,000. Now, Mr. Phipps, that is the extent of the business that is practically being done. Now, if you take the paid-up capital of the banks, you find that in 1890 we had \$60,000,000, and in 1900, \$67,000,000, in 1910, \$100,000,000, and in 1923, \$123,000,000. I do not know what the reserve capital was. At the end of 1927, the paid-up capital is \$122,764,000, which is about the same as 1923? A. Yes.

Q. And the reserve has increased at the same time to \$133,566,000. Now, if you take the amount of capital which the banks had in their bank premises, which is locked up in their bank premises, and which they require in their business, I find that in 1890 this stood at \$4,000,000, in 1900 at \$6,500,000; in 1910, \$25,000,000, in 1923, \$70,000,000, plus \$6,000,000 in other real estate. I know I am giving you a lot of figures, but the general trend will enable you to base your answer on my question. Now, the bank premises at the end of December, 1927, stood at \$69,000,000. The point is this: If you can recall generally the

[Mr. Albert E. Phipps.]