

The CHAIRMAN: He might eliminate the word "mortgage."

Mr. IRVINE: We have the best banking system in the world, but it is not good enough.

*By Mr. Spencer:*

Q. It was suggested this morning, that we have a system that is the best in the world and could not be improved?—A. That is what I believe. You are not offering any suggestions for improvement; you are suggesting that we have a terrible system.

Mr. SPENCER: Will you admit that there is room for improvement?

Sir GEORGE PERLEY: How would you improve it?

The CHAIRMAN: I do not want to delay these proceedings, but for certain reasons we will have to adjourn at one o'clock. I was just wondering whether we could finish with Mr. Phipps so that he could be excused for to-day.

*By Mr. Ladner:*

Q. Would it not be possible to have some system of insurance, to have savings deposits in the banks protected by guarantee, so that those of the public who desired to make absolutely sure that their capital would be in the bank when they went for it, and who have no special interest in the amount of interest they receive could, under that system of insurance or guarantee, be absolutely protected in respect of that particular class of deposit?—A. That was tried in the United States, and the result was not uncertain. All the banks that had those deposits did not care a darn; they took everything they could get and in three or four years the insurance companies went broke. The people got nothing. That is a matter of history.

Q. I know the banks you refer to and the circumstances you refer to. As a matter of fact, I am a great admirer of the Canadian banking system. I believe it is a wonderful system and that we cannot make many changes, but maybe some. I am suggesting that it is only a question of how sound your insurance is?—A. You can insure your deposits now if you want to.

Hon. Mr. STEVENS: We have the government savings banks now, and we have the country behind them. Let them go to the first post office they can reach and deposit their money.

Mr. LADNER: There might not be any, in some particular part of the country.

Hon. Mr. STEVENS: They are all over the Dominion.

Hon. Mr. ROBB: Who is the witness here?

Mr. LADNER: I am asking a few question if Mr. Stevens will permit me.

*By Mr. Ladner:*

Q. From a banker's point of view, I ask whether it would be advantageous if you had a system of protected accounts, either by insurance or by guaranteed assets to give stability?—A. From a banker's point of view, it is thoroughly impracticable.

*By Mr. Woodsworth:*

Q. I have a letter here from a member of an eastern Board of Trade, down in the Maritime Provinces, in which he says that in places they feel the effect of the lack of credit. I have no doubt communications along the same line could be given from the West. Would you say there was no basis of complaint of that character?—A. Not when they have the securities to put up, Mr. Woodsworth. If you are suggesting that the banks are unduly cautious in risking their funds—

[Mr. Albert E. Phipps.]