

Q. I am coming to that point. The Government would really have enough gold, as much as would be required in the practice of banking, to support a note issue. That is my contention. Now, I understand that the Dominion Government had about a hundred and eighty-five million dollars in gold. Are you sure your figures are correct?—A. They are what is here.

Q. I am informed that there is in the vaults of the Government approximately fifty or sixty millions in gold which has never been touched, or been required in the financial operations of the country since before the war?—A. I think your information is not correct.

Q. It comes from a very high authority, Mr. Ross. But you do not know about that?—A. I am absolutely certain it is not correct.

Q. My information is that there is about fifty million dollars which would not be required so far as the note issues are concerned, by the Dominion Government, and which could be used in the reduction of our national debt?—A. The Government from time to time buys the gold from the mines, and has it converted into mint bars. There may be fluctuating amounts; changing from time to time, but there is no such margin as you mention.

Q. There is no such margin?—A. Oh, no.

*By Mr. Ward:*

Q. May I ask a question there? Is there any control over the amount of gold that the Government requires? I mean, do they buy indiscriminately all the gold that is offered?—A. Practically so, I think. The Government gives Dominion notes, or gives a cheque on its balance in the Bank of Montreal. That is the way they pay for it. Of course, there is a limit. The Government balances are limited, and they cannot give cheques for the balance they do not have. That is the limit of their purchasing power just like any one buying anything else.

Q. Suppose, for example, that only half the gold that has been mined in the last ten years had been mined in that time; what would be the difference in the situation in respect of the exchequer as compared with to-day?—A. Not a particle of difference, because the Government, as soon as it gets the gold into mint bars, sends it to New York, and replenishes its account; it gets paid for it there, and it discharges obligations, or gets credit for it.

Mr. SPENCER: Therefore, they pay with that surplus gold.

The CHAIRMAN: Mr. Ladner was asking questions. I should like the members of the Committee, if they do not mind, to reserve their questions and not to disturb Mr. Ladner's line of thought, and the witness' line of thought.

*By Mr. Ladner:*

Q. Mr. Ross, assuming that there was a surplus supply of gold over and above what was normally required in the financial operations of the Government, as I have suggested of fifty million dollars; would it be feasible to use that in the reduction of the national debt, and the saving of interest? In the practice of banking, is it feasible, in case there is a shortage of gold, to buy treasury notes in New York?—A. Treasury notes? You mean Canadian Treasury notes, or the United States Government's?

Q. Treasury notes?—A. You mean obligations of the Dominion Government?

Q. Yes?—A. If the Government had, as you suggest, fifty million dollars in surplus gold, it would be the easiest thing in the world to reduce the national debt. They could go in and buy securities at the market price, and cancel them; do it over night.

[Mr. Henry T. Ross.]