

*In attendance:* The Hon. D. C. Abbott, Q.C., Minister of Finance; Mr. K. W. Taylor, Deputy Minister of Finance; Mr. Graham Towers, C. M. G., Governor of the Bank of Canada; Mr. G. K. Bouey, Assistant Chief, Research Department, Bank of Canada; Mr. C. F. Elderkin, Inspector General of Banks; Mr. T. H. Atkinson, President of The Canadian Bankers' Association and Vice-President and General Manager of The Royal Bank of Canada; Mr. C. B. Neapole, Assistant General Manager of The Royal Bank of Canada; Mr. W. T. G. Hackett, Assistant General Manager of the Bank of Montreal and Mr. J. A. Fiott, Assistant to the General Manager of The Bank of Nova Scotia.

The Committee resumed consideration of Bill 297, An Act to amend the Bank of Canada Act, and Bill No. 338, An Act respecting Banks and Banking.

Consequent to a request made by Mr. Tucker at the last meeting of the Committee, Mr. Towers laid on the table the following documents which are to be found as an *Appendix* to this day's Evidence:

*Exhibit No. 14:* Certain Canadian Price Indexes 1938 to 1953, inclusive, including Wholesale and Farm Products Indexes;

*Exhibit No. 15:* General Wholesale Price Indexes in Canada and Certain Countries (1938-1953, inclusive);

*Exhibit No. 16:* The Latest Available Consumer and Wholesale Price Indexes in Certain Countries as a Percentage of 1938;

*Exhibit No. 17:* The Value of the U.S. Dollar in Canada 1938-1953, inclusive;

*Exhibit No. 18:* Ratios of Cash Reserves to Deposit Liabilities in Canada, United States and the United Kingdom 1944-1953, inclusive.

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

Mr. Towers made a detailed statement in reply to questions asked by Mr. Stewart (*Winnipeg North*), at a previous meeting, in respect of:

- (a) The increase in gross national product, measured in constant dollars, from 1945 to 1950;
- (b) The increase in general public holdings of currency and bank deposits from the end of 1945 to the end of 1950, and
- (c) The increase in the chartered banks' cash reserves between June 30 and December 31, 1951.

(See this day's Evidence)

Mr. Towers also tabled a statement entitled "Money Market" in response to a request by Mr. Adamson that he define the term "money market" and say something about the functions of that market. The said statement was ordered to be printed as an appendix to this day's Evidence.

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.