

Q. You do not keep them separate?—A. No.

By the Chairman:

Q. Your monthly report shows what is on deposit?—A. Yes. We do not invest each one separately.

By Mr. Spencer:

Q. Do the banks lend monies other than the savings deposits?—A. They lend any of the funds of the bank, they are merged.

Q. How do you create other deposits than savings?—A. Any amounts deposited are put in; every day the Government deposits with us in a sense. We do not call them savings deposits.

Q. How much money had the banks of Canada on the balance sheet you have before you on that date, the 31st of January?—A. I do not think I should be asked that question. Money from deposits do you mean?

Q. On current account and savings?—A. Deposits?

Q. What money available for loans?—A. We had a lot more than that. Do you mean after deducting the loans already made?

Q. Yes?—A. I would have to take some time to figure that out. It would take some time.

Q. Give it to us roughly, in millions?—A. I do not know that I can do that. Whatever they wanted to loan, they would, probably, Mr. Spencer, have at least fifty per cent of their total assets, which are given at about three billions.

Q. Is there a limit to the money they can loan?—A. Yes, as their common sense dictates and good banking practice. I can only speak for our own Bank Mr. Spencer. We would lend on commercial loans about 45 to 50 per cent of our funds and we would think we were getting a comfortable margin of safety.

Q. The same answer would be given me if I asked who regulates it?—A. Yes, good banking practice and the management of the bank.

Q. What relationship is there between the amount of savings deposits and the loans made by the banks?—A. You mean the percentage?

Q. What relationship, what ratio?—A. I would have to take a pencil and figure that out. We would have to take time to do that. There are half a dozen different varieties and loans of every kind.

By Mr. Woodsworth:

Q. Is there any immediate relationship between the savings deposits and the amounts loaned?—A. None whatever. What I understand Mr. Spencer is getting at is this: He wants to know how we invest our savings deposits. I say we merge our funds.

By Mr. Spencer:

Q. There are those who claim that they only loan money on savings deposits; you do not agree with that?—A. Not at all.

Q. Can a bank change an active liability such as a bank note that is payable to bearer to a liability payable after notice?—A. I do not understand the question.

Q. I will give it to you a little more slowly. Can a bank change an active liability, such as a bank bill that is payable to bearer, to a liability payable after notice?—A. What you are trying to catch me on is this—

Q. I am not trying to catch you on anything?—A. You want to know, if a man comes in with a \$5 Imperial Bank bill, can we change it to a liability after notice?

Q. Yes?—A. Certainly. Anybody can.

Q. What is the percentage of so-called cheque money as compared with bills and coin?—A. I would have to look that up.

[Mr. Albert E. Phipps.]