

Q. Is there any limit to the amount you may print?—A. Well, no, but I would not print any more than would meet our probable requirements on account of the cost of printing.

Q. Who prints these notes?—A. The Canadian Bank Note Company.

Q. Have you considered the advisability of printing these notes as far as possible in the Mint?—A. In 1912 I went to Washington and went through the printing plant there, and I was rather in favour of doing our own work. I made a report to that effect. But you see the difficulty of getting a man who is capable of taking charge of a public engraving department here. You would have to get skilled men, and we are a young country. My report was never acted on.

Q. The company that prints these notes now must have capable men, I suppose?—A. Yes, but I do not know how many years old they are. They are one of the oldest companies in the business and they are well organized.

Q. Do you know where the chartered banks get their notes printed?—A. Mostly by the Canadian Bank Note Company and the British American.

Q. Is there any limit to the amount which they may print?—A. No, but they must report it to the Canadian Bankers' Association. You see, Mr. Coote, in our own case we must have what we call a reserve. We try to keep ample reserves and so do the banks. These notes printed and are held in the reserve would mean nothing more than paper. They are put there to meet requirements.

Q. Yes, I am quite well aware of that, but I want to know whether the Department has any knowledge of the amount thus printed by the banks?—A. No. They do not make a return to us.

Q. Do you not think you should have some knowledge?—A. No, because the Canadian Bankers' Association has the knowledge, and knows how many notes are printed and in the hands of each bank, and they check it up, as Mr. Ross told you here yesterday.

Q. On what ground would you justify the turning over of this authority to the Canadian Bankers' Association?—A. On the ground of the Canadian Parliament having done so; because they told us to.

Q. Was not Parliament advised—

The CHAIRMAN: Mr. Saunders, speak a little louder, if you do not mind. Be sure you understand the question thoroughly, and then speak up. Let us have the question again, Mr. Coote, if you please.

*By Mr. Coote:*

Q. I asked Mr. Saunders on what ground he would justify the turning over of this responsibility to the Canadian Bankers' Association, the responsibility for knowing the amount of notes printed.—A. Parliament direct us to do that.

Q. Was not Parliament offered the advice of the Department of Finance when this Act was being drafted?—A. That is away back in the former Act; I think I was scribbling entries in a book at that time; I had no knowledge of it.

Q. Might we have the benefit of your advice now, when we are considering changes to this Act, as to whether it would not be better for the Department to attend to this business itself, rather than delegate his duty to the Canadian Bankers' Association?—A. I do not think I could recommend that, because I do not see any need for the casting of any reflection on the Canadian Bankers' Association.

Q. I hope you do not suggest that I have cast any reflections?—A. Mr. Coote, all those questions can be interpreted—I do not think you mean to— but these are challenging the present banking system.

[Mr. J. C. Saunders.]