

Q. How many constitutes a quorum?—A. Three.

Q. So you ordinarily have a meeting once a week, with at least three present?—A. That is what we try to do. There is no special time set.

Q. Do these gentlemen on the Treasury Board change from time to time? For instance, would it be impossible for Mr. Motherwell, for example, to take the place of Mr. Stewart, or one of the other members, or are there frequent changes?—A. No, there are not frequent changes, except supposing a Minister goes out who happens to be a member of the Board, and he has to be replaced.

Q. For example, Mr. Robb went off to Australia. I suppose during his absence somebody else would be appointed.—A. No, we would have our quorum of three.

Q. Do I understand correctly that only the banks can take advantage of this Finance Act?—A. Only the banks.

Q. Suppose, for example, that a province came here with gilt-edged bonds—and lots of provinces have them—

The CHAIRMAN: Quebec, for instance.

By Mr. Shaw:

Q. The province of Quebec, for example, and they came to you as secretary of the Board and said, "Here is \$1,000,000 worth of bonds; we want \$10,000 in notes." What would you do?—A. I would tell them they must get the Finance Act amended.

Q. Or shift them off to the banks?—A. Yes, they could do it through a bank.

Q. So the fact is that this Finance Act is something which operates only at the instance of the banks?—A. Yes, at the present time.

Q. Nobody else in Canada, no matter what their security, has any right to go directly to that Board and ask for accomodation?—A. No.

The CHAIRMAN: That is getting near the line of argument.

Mr. SHAW: No, it is a fact. I refuse to even enter the realm of argument in the matter.

Mr. MARLER: I wonder if it is possible to ask the gentleman what advantage it is for anybody else coming under the Finance Act?

Mr. SHAW: That would be a matter of argument.

The CHAIRMAN: You might ask the witness' opinion on that; I do not think that would be argument.

Mr. SHAW: That might be a matter of argument, and I will not touch it.

Q. Now, Mr. Saunders, you have stated that the interest rate is five per cent. Has it ever varied, to your knowledge?—A. In the early part of the war, the then Minister of Finance, in arranging for the banks to make a large loan to the Imperial Treasury for war purposes here in Canada, that is for supplies in Canada, allowed the banks the privilege of rediscounting, you might say, with the promise that they could have it for three and a half per cent, but that was just a temporary thing, because the banks were rather afraid of it.

Q. That was just one special instance?—A. Yes.

Q. So it would be correct to say that during the operation of this Act, with the single exception you have mentioned, the interest rate has been fixed at five per cent?—A. Five per cent.

Q. There has been no variation?—A. No variation.

Q. Might I ask you this? Is there any expert or advisor to the Treasury Board, outside of yourself, at these meetings?—A. I hope not. I am supposed to be the advisor.

[Mr. J. C. Saunders.]