

those at Halifax and at Yarmouth have large deposits, the remainder can hardly, I should think, have an average—

Mr. VAIL. Yes, they have.

Sir RICHARD CARTWRIGHT. What sum would they have on an average?

Sir LEONARD TILLEY. I do not know what the average is.

Sir RICHARD CARTWRIGHT. He will see that it would require very nearly \$100,000 to keep the expenditure within a quarter per cent. I would like the Minister to take a note, and, at Concurrence, if he will be good enough, to bring down a memorandum showing the total expenditure for savings bank purposes. That, of course, would include that portion of the expenses of his own department which might properly be chargeable to savings banks. If I am not mistaken a good deal of the vote for contingencies and a good deal of the general vote are incurred in consequence of the savings bank expenditure. There is a special branch to look after it, I think. This is now becoming a very important thing. There are \$26,000,000 of money borrowed at call, and they have to be looked after. What is the arrangement now as to odd days? Is it the same as it was in former times? What notice does he require? Is it the same as before?

Sir LEONARD TILLEY. Yes, the same as formerly; but we seldom hold them to that. There is a certain number of days during which we are not bound to pay it. We have made one change since the hon. gentleman was Finance Minister. At that time they received the interest from the day the money was received to the day it was paid. A change has been made in that respect. If it is paid in the early part of the month, they receive no interest for that month, but commence at the first of the month following, and, if it is paid at the end of the month they do not receive anything. There must be a full month. They receive nothing for the portion of the month the money is paid in, or the portion of the month in which it is drawn out. In every other respect, it remains just the same as it was before.

Sir RICHARD CARTWRIGHT. No matter how long it remains on deposit.

Sir LEONARD TILLEY. No matter how long. We found in some cases some parties in the towns were using it as a bank account, to some extent, and therefore it was to check that that we found this was necessary. We reduced the amount to \$3,000, and made this a condition, and there was not the same inducement to do that.

Sir RICHARD CARTWRIGHT. Allow me to understand. If a man pays in money on the 15th of one month, and six months afterwards draws it out on the 15th, he would lose fifteen days at each end?

Sir LEONARD TILLEY. He would lose a month.

Sir RICHARD CARTWRIGHT. I do not object to that. I think the hon. Minister is dealing very liberally with the public, and I do not at all object to that. The more important question, however, comes up here. We have now \$26,000,000; we may have more; the hon. Minister thinks, I believe, we will have more. Of course, in prosperous times, the Minister understands that nobody supposes there will be any great amount of withdrawal, but, should the times become less prosperous, then a considerable amount of withdrawal might occur. I would like to know exactly how at present the hon. gentleman proposes to meet possible withdrawals? He has altered, if I remember aright, to a very considerable extent the provisions made in my time for retaining a large amount of gold over and above what the immediate wants of the circulation required. I had retained

that partly with a view to meet just such contingencies as I allude to, and they might be much more formidable now than in the earlier days, seeing that our savings bank deposits are double or triple what they were then. I notice that, by the returns, a certain amount of the guarantee which, I think, has not yet been used—the English Imperial guarantee—is held by the Minister. That, I suppose, is intended to take the place of gold, and to be sold if required?

Sir LEONARD TILLEY. Yes.

Sir RICHARD CARTWRIGHT. That, of course, so far, is good enough; but does the hon. Minister make any special reserve with respect to this \$26,000,000, except this guarantee of £500,000 or £600,000 sterling, whichever it is? How does he propose to meet a possible contingency of that kind?

Sir LEONARD TILLEY. It is well known to the House that the law was amended in this respect. Previous to 1879, 25 per cent. of the circulation—so far as that is concerned this is a separate question, but not separate exactly—

Sir RICHARD CARTWRIGHT. It is not altogether separate.

Sir LEONARD TILLEY. Not altogether separate—25 per cent. of the circulation was held in gold. That was amended by reducing the amount of gold to 15 per cent., and 10 per cent. was held in Dominion debentures guaranteed by the Government, and that was arranged so that, at any time, if necessary, we could fall back upon that £600,000 sterling to meet any demands that might be made after the gold was exhausted. We do more than that. As to the savings banks, I do not feel so much alarmed about that, when I inform the hon. gentleman that, from 1874 to 1879, when you would have supposed—particularly during a portion of that period—that the amount probably might be reduced in the savings banks, the amount was increased \$2,800,000, which, of course, was about equivalent to the interest. The hon. member will himself recollect that he was not called upon during all his five years of office to provide for the savings bank. Therefore, I think this is a fair inference, although the amount is larger and we are, perhaps, more likely to have a considerable call. But I do not feel any doubt or hesitation about that. I am satisfied that we will have no difficulty in that respect, even though we should experience the difficulties that were experienced from 1874 to 1879. But there is another reason why we should hold in reserve, to a certain extent, as we do in the banks, not less, as a rule, than \$2,000,000—we may require it for ordinary expenditures. At the present moment exchange is very high, there is likely to be a demand for gold, and our circulation may be reduced to some extent. Under these circumstances the Government, as our predecessors did, keep a very considerable amount deposited in the banks, not only to meet the savings bank call, if that was necessary—which I am satisfied it will not be—but to meet the demands for gold. In addition to the 25 per cent. in gold, and to the guaranteed debentures which can be converted into gold at short notice, there is always in the hands of the Government, lying principally in the Bank of Montreal, a considerable sum to meet any such demand should it occur. Therefore, we do not allow these deposits to get below a certain point if we can help it, in order to meet any emergency.

Sir RICHARD CARTWRIGHT. Besides the gold, which I think is about \$3,000,000 is it not?

Sir LEONARD TILLEY. Yes; probably, over \$2,000,000.

Sir RICHARD CARTWRIGHT. Of course the hon. gentleman must remember that under the present policy