

*By Mr. Irvine:*

Q. You quoted Mr. Mellon on that?—A. I said there was no possibility of controlling that particular situation that arose out of the war.

Q. Well, we cannot control that now, and if that is what you mean, I agree with you heartily. But, I understood you to mean by that quotation that the problem itself was unsolveable. I think you have said to-day that these periods recur and recur, which is true, but why should we not try to stop them recurring? The point is to try to find out whether there is any way of stopping that recurrence, not by any fantastic way of financing, but by an intelligent way of doing it. We think the Bankers' Association might do it, and if they will help us, that is all we are asking; but if they say it cannot be done, then we will have to find someone who can do it.

*By Mr. Spencer:*

Q. I have a few questions I would like to ask the witness, Mr. Chairman. Mr. Phipps, I understand you are the General Manager of the Imperial Bank of Canada?—A. Yes.

Q. And President of the Bankers' Association?—A. Yes.

Hon. Mr. STEVENS: We cannot hear you Mr. Spencer.

*By Mr. Spencer:*

Q. I take it also, Mr. Phipps, you are an economist?—A. Well, in a certain sense, I am an economist. I am a practical banker, or I try to be. That is all I would say. I have not made a study of economics.

Q. I ask that, because once we had a banker here who said he was "a practical banker, and not an economist?"—A. Well, I would be in that class.

Q. I do not want to overlap what has been asked, but I have a few questions I have put down here, and I would like to ask them in order. You have before you, I believe, a balance sheet of the Treasury Board?—A. Yes, for January.

Q. What date is that?—A. January, 1928.

Q. The 28th of January?—A. No, the 31st of January, 1928.

Q. Will you tell me what amount of savings deposits the banks held at that time?—A. In Canada?

Q. Yes?—A. \$1,466,000,000 in round figures. That is deposits payable after notice.

Q. What is the nature of these deposits?—A. They are various. They are the savings of the people, from capital to labour investment; accumulated funds of various kinds put aside at interest, for special purposes at future times.

Q. What interest is paid on those?—A. Three per cent.

Q. Are these deposits payable in gold?—A. They are payable in legal tender; that is, Dominion notes or gold.

Q. Either Dominion notes or gold. If so, could they be paid if they were demanded?—A. Do you mean, if they were all asked for at the same minute?

Q. Yes?—A. You know the answer to that as well as I do.

Hon. Mr. STEVENS: I think, Mr. Chairman,—if Mr. Spencer will permit me—there is a danger of such a question being wholly misunderstood by the public, and causing a situation that is not warranted. Any one who knows the A, B, C of banking knows that neither this country nor any other could meet all its note obligations if they were asked for at once. We know equally well that it is an utterly absurd position to even think of it, but there are masses of people, tens of thousands, who, if they were told that fact, their confidence in the country's banking system would be undermined at once, needlessly, senselessly, and I think, wantonly.

Mr. SPENCER: If I may be allowed to go on, I think this information is wanted.

[Mr. Albert E. Phipps.]