

*By Mr. Shaw:*

Q. Then, during the period when our exchange was at its lowest as compared with the American, there was little of this money shipped over, because it was too much bother; but the Department of Finance paid the banks a very small commission in the aggregate—it did not amount to much—but the banks undertook to gather it and ship it across. I am told that there is from \$3,000,000 to \$5,000,000 of American coinage in the country now. I do not know whether that is true or not?—A. I do not believe it. It is dangerous to go on what we are told. I do not believe there is any such thing.

The ACTING CHAIRMAN: During the war, I noticed, when the exchange went heavily against us, we did not seem to have nearly as much American silver or as many dollar bills as we had been accustomed to before. That is my experience.

*By Mr. Shaw:*

Q. I do not care whether American currency is at a premium or not; the fact is, as Mr. Saunders says, that we make 50 per cent on our own money—A. We cannot make that to-day.

Mr. SHAW: I am not sure of that.

*By the Acting Chairman:*

Q. The total value of silver is even to-day considerably higher than its intrinsic value, is it not?—A. Yes.

*By Mr. W. F. Maclean:*

Q. Would you tell us if there has been any loss up to date in connection with the rediscounting by the Finance Department?—A. Not one cent.

Q. You mentioned the Central Gold Reserve in connection with rediscounting; have you ever seen that organization?—A. The Central Gold Reserve?

Q. Yes.—A. By law we have to inspect it.

Q. It is in existence?—A. Yes, it was inspected about three weeks ago. The Minister appoints a trustee, there are four trustees, and the Canadian Bankers' Association appoint three. The Minister's trustee is the Royal Trust Company of Montreal.

Q. Have they a treasury in the Royal Trust?—A. They have a vault. It is held in joint custody with our own trustee representing the Minister. The three other trustees are appointed by the Bankers' Association.

Q. You mentioned that there was some office discharged by the Central Gold Reserve in connection with rediscounting?—A. Yes.

Q. And the main persons who get the rediscounting are the banks?—A. Well, no—

Q. Mainly? Let me put it this way: The only customers for rediscounting are the banks?—A. Yes.

Q. Yet this Central Gold Reserve, which is composed three-fourths of the banks, do the same duty for the country in connection with rediscounting?—A. Their value to us is this: Supposing we had securities, some small municipalities, unlisted securities, or promissory notes, or something like that, we as a department would have no knowledge of the value of this unlisted stock. It is the business of the banks to value credits, and if we get from them a certificate that we can advance so much—

Q. They pass on their own advances to you, as a matter of fact?—A. Yes.

The ACTING CHAIRMAN: I do not think the witness understood that question or he would not have answered yes.

[Mr. J. C. Saunders.]