

Q. That is what I am asking, Mr. Bickerton. Have you made any studies as to the actual cost of providing this credit to our farmers?—A. I have made a little study. My humble opinion is that for one section of the people you could possibly provide a credit service a little cheaper than for another; that is, if you had a big corporation, a big business, that was handling big sums of it, I think you could administer the use of credit to them much more cheaply than you could to individuals. I do not think that you could tie it down to any one particular thing. I think you have got to have sufficient flexibility to be able to advance huge sums of credit to, say, such institutions as the wheat pool. I think you could certainly handle credit for the use of the wheat pool much more cheaply than you could by giving me a line of credit. It is going to cost more to service me as an individual than it would to service the larger institution. My humble opinion about the general run of credit is this. To take it over-all, I think the general run of credit, and whatever is used as money, could be administered for the benefit of all the people of a nation, at a cost somewhere close to 3 per cent; I think a little under that. That is my opinion.

Q. If you lend the government, as the banks are doing to-day, at 1 per cent approximately or a little over 1 per cent, then you are going to run your actual cost of credit to individuals accordingly higher than 3 per cent in order to get your average cost?—A. Well, you probably would, because there is more service having to be given. You have to run a service branch at different places to service a number of individuals. It has been mentioned here that the government is using about \$2,600,000,000 worth of credit from the banks. Well, it certainly would not cost nearly as much to service that as it would to use that amount of money over a multiplicity of individuals. It certainly would not cost nearly as much to service the government with that particular type of credit as it would to service a multiplicity of individuals who would each require a certain amount of time and service to be devoted to them.

Q. According to the figures which Mr. Ilsley filed in the house, the average cost of providing credit by our banking system was 2.28 per cent. That is on all their assets. The cheaper you provide your money to government, then obviously the more you have got to charge private individuals in order to get your average? That is one of the things that bothers me. You have considered that?—A. Yes. I can quite see that. It is possible you would have to go in accordance with the value of the service that is rendered by the institution. So would the cost be regulated. I do not know. I know that there are people who believe that you can just simply start away and turn out money or whatever you use as money, and circulate it around and it does not need to cost anything more than the printing press, the paper, the ink and so forth. I do not agree with that.

Q. No. That, Mr. Bickerton, brings up the question whether you have any information as to the cost of providing credit in any other countries, intermediate or otherwise, or do you think you could get that? For example, we have heard that the Scandinavian countries have been very good in providing intermediate credit to their farmers. I just wondered if you knew what the cost of credit was in any of those countries—A. I understand that Finland, before the war started, was providing credit to their farmers at a cost of something around 2 per cent. I do not want to be quoted as being actually accurate on that, but it was a low-level cost. We have a good deal of material upon what has taken place in Sweden. I would suggest that this particular committee—

By Mr. McGeer:

Q. Go to Sweden?—A. Yes; if you like, go to Sweden, Mr. McGeer. I do not think it would do you any harm.