

to create new money. Can you see any objection to taking back what our constitution gave us originally, that is, the right to create new money where somebody has to create new money?—A. Definitely not.

Mr. McGEER: Which Mr. King described as our most sacred and conspicuous responsibility in government.

*By Mr. Slaght:*

Q. May I call your attention to this? I am going to give you the language of the Minister of Finance himself in the House of Commons when he described what bankers do at the present time. He says:—

That lies at the base of their whole profit-making activities; the way they make money is by lending more money than they have. What they have is their cash reserves; and unless a bank has out several times—six, seven, eight, nine or ten times, its cash reserves—it is not being profitably, or from a banking point of view, properly conducted.

Do you speak for a crowd that are prepared to permit the banks to go on lending, and to the Dominion of Canada, mark you, seven, eight, nine, ten times more money than they have bearing in mind what the minister meant by more money than they have, that is, they had more money than the cash reserves they have behind their loans? Are you in favour of our perpetuating that or could you fairly say you would be behind some of us who believe that ought to be done away with as far as the right to lend money to this country is concerned?

Mr. McGEER: To the government.

The WITNESS: I would say this, that with an institution being operated under a national administration you would supply credit needs, whatever those needs were, and you would be doing that at a reasonable cost price under national administration. We will call it national administration, if you like, but if it is done by private individuals, by corporations, then I say simply they are getting a profit on something that does not exist.

*By Mr. Slaght:*

Q. You are right. I see it is 1 o'clock.

Mr. McNEVIN: Do you think it can be done for less than 1 per cent?

*By Hon. Mr. Hanson:*

Q. Before the committee rises, I cannot be here this afternoon and I want to ask one question. You refer in one of the opening paragraphs of your brief to the fact that the leaders of Canada in 1871 when they passed the first Bank Act conferred charters which allowed them the sole right, and so forth. I suggest your history is wrong. That was already there, and the government of the day, the parliament of the day, just continued the system that was then in force. But that is not what I wanted to say. In the paragraph beginning "It is not enough to merely say that the public would not approve," and so forth, you make this statement, "Parliament has never requested a direct mandate from the people, for which negligence we consider parliament representatives have been remiss in their duty as servants of the people." Do you mean that statement?—A. Yes.

Q. You do?—A. Yes.

Mr. BLACKMORE: One hundred per cent.

The CHAIRMAN: We will adjourn until 4 o'clock.

The committee adjourned to meet again at 4 o'clock this day.

[Mr. G. R. Bickerton.]