

Hon. Mr. CASGRAIN: Think of the difference between a farmer in the wide open spaces of Alberta, say, and a farmer in the United States. Perhaps that Alberta farmer, with his wife, has come from Michigan and put his savings into a bank in this country. His wife says to him, "What position should we be in if we were in Michigan, where we used to live?" As you know, men who had money in the banks there could not draw it out. The banks kept it. I believe Mr. Roosevelt thought it would be well if those people got at least what they had deposited in the banks.

This proposed Central Bank is to have \$5,000,000 capital. It cannot go very far with that. A few men in Montreal could easily buy all the stock of the bank if it were going to be sold to the public. I think I saw that the leader of the Opposition in another place wanted the Government to put up the \$5,000,000. Well, the Government may do it. If it is wrong, the Government is sure to do it.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Look at the radio situation. We used to get a clean-cut revenue from the licence fees paid by owners of radio receiving sets, and everything was going along nicely; various corporations owned the broadcasting stations, and radio was doing well. Everybody was satisfied, and there was nobody to find fault with. But the Government had to interfere with that.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. CASGRAIN: Why interfere with radio? What happened? Now we no longer get a revenue from the licence fees, because that money is all being used up by the Radio Commission, and in addition we have to put up more money. That is poor policy.

This bank is going to pay dividends of five per cent or six per cent, no more. Well, I do not know how it is going to pay dividends. They are not guaranteed. There is one thing out of which money will be made—if it happens. I hope it will not. The right of our banks to issue money is going to be taken away from them and only the Central Bank will have that right. What will be the effect of that? I know of a large estate in the city of Montreal which would be affected. In the will of the testator it was provided that certain shares of the Bank of Montreal should never be sold. Now, in view of the fact that the Bank of Montreal will no longer be able to issue notes, a suit is being started in the courts in order to secure permission to sell those shares. That is not very encouraging, is it—starting a lawsuit to break a will?

Hon. Mr. CASGRAIN.

The Commission which inquired into the banking situation was composed of five members. There was Lord Macmillan, a very fine gentleman. I exchanged some correspondence with him, in the course of which he wrote me a very polite letter of three and a half pages in his own hand. I have great respect for him. Then there was another gentleman who came here from the Old Country. For the moment I have forgotten his name. I went to the court-house in Montreal when the Commission was meeting, and to me it was just as plain as the nose on your face that both those men were set on a Central Bank. A brother of the honourable senator from Montarville (Hon. Mr. Beaubien) gave evidence. He was in favour of an exchange for money, and thought it necessary to have a Central Bank. I am told by good bankers, the biggest of them, that an exchange in Montreal would have no more chance of regulating the price of money than the Wheat Pool had when it defied creation and tried to swing the wheat prices of the world, although it controlled only five per cent of the world's production. The excuse given for the establishment of the Central Bank is that we are under the domination of New York. It is said that exchange is made, not in Montreal or in Canada, but in London or New York. There are bank directors listening to me now, and if I am wrong they can contradict me when I say that you can get all the exchange you want, and that the excuse given is a very poor one.

Honourable gentlemen may not be aware of the fact that if the right of issuing money is taken away from our banks half of their branches throughout the country, including the Northwest, will be closed, because the banks will not be able to supply those branches with the necessary money to carry on. I leave it to you, honourable gentlemen, what will happen if the branch bank in every second village is closed, and whether the people will bless or curse Mr. Brownlee, the fifth member of the Commission, who gave the casting vote. To cash a cheque those people will have to travel to the next village, or perhaps farther. If the banks lose the power to issue notes—

Hon. Mr. McMEANS: To what extent will it affect their profits?

Hon. Mr. CASGRAIN: I am not a banker, and therefore am unable to tell the honourable gentleman. I would if I could, but I cannot. The farmers instead of being better off will be worse off; they will have only half the number of banks that they used to have. The farmers may think it will be