

In other words, on a note, bill of exchange or other security they may charge any rate of interest they like, and it is not tainted with usury.

Mr. WM. ROCHE (Halifax). Do not the provincial laws protect them?

Mr. SPROULE. No, a province has no right to pass a usury law, that can only be done by the Dominion parliament. I say that the government has joined with the banks to force people to put their money in the banks at 3 per cent, because there is no other safe place where they can put it, and then you allow the bank to loan that same money at 25 per cent. The poor man only receives 3 per cent interest, but what is the rich man allowed to receive who owns stocks in these banks? According to the 'Canada Gazette,' giving a statement of the last dividends distributed by the banks, the Bank of Montreal distributed 10 per cent; the Bank of New Brunswick, 12 per cent; the Bank of Quebec, 7 per cent; the Bank of Nova Scotia, 12 per cent; Molsons' Bank, 10 per cent; the Bank of Toronto, 10 per cent. I might go over the list, and they run all the way from 12 per cent down to 6 per cent, I think one or two below. Now is that fair to the general community? In my judgment it is not. I think it is a great injustice to the poorer people. Then, again, why should the government join with the banks to make them a monopoly in controlling the financial resources of the country? Why should the government not offer the poor man four or five per cent for his money and then they could get all the money they needed to carry on the affairs of the country? Why should not the government pay the poor man 4 or 5 per cent instead, of paying the Bank of England 5 per cent for money on their overdrawn account? Why should that be? If the government paid the poor man 4 or 4½ per cent to-day they would have all the money they required for the needs of the country, even to the renewing of maturing loans, and they would be paying a high rate of interest to the poor man instead of paying to the bankers and capitalists of England 4, 5 and 6 per cent. That is bad policy, and it is an injustice to the poor people of this country. It is bad policy for this government. It is no encouragement to industry, economy and frugality. We give the banks these great powers. We give them power to stamp a piece of paper and sell it for money; to take a piece of paper, four and a-half inches wide and eight inches long, stamp it and sell it for \$100, and the day it goes out of their possession, no matter in what part of the world it goes, it is earning interest for them. What other individual in the country do we give such powers to? In my judgment, the government should issue the money themselves, sell it to the banks and

Mr. SPROULE.

receive some return for the money that we give them the power to issue by way of circulation. They put out a hundred-dollar bill which does not cost them five cents, and they get that \$100 out at interest as soon as the bill is sold. If the bill is torn up, or destroyed, or lost, it is \$100 in their coffers for ever. They have the benefit of it. We give them this power in order that they may serve the people. For every dollar of paid-up capital that they have we give them power to issue another dollar, and they are thus enabled to stamp their bills and extend their circulation for different purposes. Do they supply the needs of the people? I ask, if during last summer, they supplied the needs of the people? Ask anybody in any industrial line operating in Canada if the banks supplied the ordinary commercial needs of the country with the necessary circulating medium to carry on business. Not at all; the best men in the country were crippled and curbed in their operations. I was talking to a man in Winnipeg. The banks begged this man only a short time before to give his account to them. He was a man engaged largely in trade, but he did not use the banks because he was tolerably well off, and he did not choose to do business through them. There were two or three banks running after this man offering to give him any limit of credit that he desired. At last he was induced to do business through one of these banks. He was only there a few months and he had a limit of credit of \$40,000 or \$50,000. He wanted to extend his business a little more through the Northwest and British Columbia, and he wanted his limit of credit extended some \$200,000 more. The company with which he was connected was perfectly sound, engaged in a commercial line and doing a splendid business. When he went to the bank and asked for an extension of his limit of credit the manager said: We cannot extend it; on the contrary, we would like to have it reduced to \$50,000 and in a little while to reduce it still further. He said: You have been begging to get my account, and you were willing to give me a limit of credit up to \$75,000 or \$100,000 if I gave it to you. Now you want to reduce it. Therefore, he took the account out of the bank and went on and did his business in his own way. That is the way commercial people are treated by these corporations that are given these great powers in order that they may provide a circulating medium and have it available for the commerce of the country. See how the grain buyers of the Northwest were treated when they tried to buy the farmers' grain last fall. There was no money available, no matter what kind of security they offered, and for some unknown reason the banks curtailed their business, so that these men as well as the farmers, were hampered in their operations. I was up there for several weeks, and, to say the