resources are unexploited. Some hon. members may have had occasion to read the primer which is used in the schools of Germany and in which reference is made to the unused natural resources of Canada. Are we not going to put our unemployed to work to exploit our great natural resources and produce wealth? This country is largely underpopulated and is a standing temptation to the overpopulated countries of the rest of the globe. I submit we owe a sacred duty to our forefathers to devote ourselves to using our natural resources to the fullest possible extent and to populating our country with our own people as quickly as possible in order that we may be able to hand on unimpaired the great heritage that we have received from their hands.

Do we lack natural resources? Does anyone suggest that Canada is not well endowed with natural resources? Do we lack labour? There are hundreds of thousands of unemployed who are anxious and willing to work. Do we lack capital? Our banks have plenty of capital or potential credit, but they say they cannot make loans. Everyone knows that all that is necessary is labour, capital, and natural resources. What is the trouble? Some people I know seem to believe that there is a lack of capital. I should like to read a short report which appeared in the Winnipeg *Free Press* of January 11, dealing with a speech by the Minister of Agriculture (Mr. Gardiner), who said:

> If peace were assured, Britain would be using some of her great financial resources to develop Canada's great natural resources. In western Canada there is a great potential for industrial growth. Half the mineral wealth, half the coal of the country are enclosed in an area close to the Rocky mountains. There are no industries there. Development would create great wealth.

With the latter part of that I am in hearty accord. We have great mineral resources in western Canada, but I suggest that we do not need capital from abroad to develop them. Under our present Bank of Canada set-up the only reason for wanting foreign capital would be the necessity of buying things abroad that cannot be produced at home or which could not be procured with goods produced at home. During the war Great Britain found it necessary to get foreign credits in the United States for this reason. But are we in Canada in that position? We have the man power and we have skilled leaders. As I say, we have great natural resources. What about the necessity of foreign capital? There is one thing about foreign capital. If you do not need it, it is a bad thing to import. You must go on paying interest on it until you repay it, and sometimes you have to repay it two or three times. This constitutes a continual drain on the resources of the country. Anyone who knows anything about the capital invested by the United States in Canada knows that it has been paid time and time again, and still we must go on paying interest on it. That is a drain upon a young country. If you do not need foreign capital, you should not import it.

I suggest that we do not need foreign capital. I suggest that our present financial set-up makes plenty of capital available. I should like to refer to some figures in this connection. According to the January 4, 1939, report of the Bank of Canada, gold coin and bullion in the hands of the bank amounted, in round figures, to $186,957,000. Under the Bank of Canada Act the Bank of Canada has the right to print against that gold four dollars for every dollar in gold that it holds. On that four dollars to one ratio it could print or make available to the bankers as deposits with the Bank of Canada a total of $747,831,000 of money. On the basis of our financial set-up as it was described by the Minister of Finance (Mr. Dunning) last session, the banking system of this country can and does tend to make loans and investments to the extent of ten dollars for every dollar that they have by way of such liquid reserves in the form of Bank of Canada notes or deposits in the Bank of Canada. So that on the basis of the present gold holdings of the Bank of Canada, the banks of this country could make loans and investments to the extent of $7,478,000,000. They have the financial power to do it. The banks do not deny they have that right and that power. Well, then, I suggest, we do not need capital from abroad; we have the situation well in hand at home.

But somebody may say, regardless of the legal power to do it, it is not wise to issue Bank of Canada currency on the basis of printing four dollars' worth of money against one dollar's worth of gold. It was suggested last session by the then leader of the opposition (Mr. Bennett) that the 25 per cent gold basis was an absolute minimum. Very well let us be sure, and give twice the coverage which is provided by law. The value of our gold production last year was, in round figures, $141,000,000. If we kept that in our hands for one year and added it to the gold already on hand, we would have a total gold supply, in round figures, of $328,875,000. On a two to one basis, that would enable us to issue $657,000,000 worth of Bank of Canada notes, and on that issue the banks of this country would have the right, in a perfectly sound way,