

*By Hon. Mr. Hanson:*

Q. That was the suggestion of the government of the day, was it not?—  
A. Yes, but the banks elaborated on it. They said, "come to the banks and see us"; and so the man went in and saw the manager.

Q. You are not condemning the suggestion that they should have had increased production during the last war?—A. Oh, no.

Q. But you are condemning what followed?—A. That is what I was coming to.

*By Mr. Coldwell:*

Q. I was going to ask you to elaborate on bank loans, methods adopted in lending money to the farmers. As I understood you, the farmer goes to a bank and borrows \$1,000 and takes the money. That note is discounted. Thereafter it is for three months. He gets less one-quarter of the interest—one-quarter of \$70—and the interest he actually pays is on the amount he received rather than on the \$1,000. If he has to renew that note—and I want to be clear on this—then the interest is in effect compounded; is that so?—A. Well, the actual transaction—

Q. Because it is not a rate of interest; it is a rate of discount, is it not?—  
A. That is right. In other words when he renews the note, if it was for \$1,000 and the interest has been taken off before he got that \$1,000, he would renew the note at \$1,000 in spite of the fact that he had only got the \$1,000 less the three months' interest.

Hon. Mr. HANSON: He had the use of the money.

The WITNESS: Yes, he had the use of the money.

*By Mr. Ryan:*

Q. I understand, Mr. Bickerton, from what you stated this morning that you are satisfied with the service rendered by the branch banks throughout your province. Now, do I understand you aright that you are referring to the service rendered by the local managers and their staff. What I gather is that your objection is to the cost of this service. You are in no way stating that you are in favour of the nationalization of the banks, according to my understanding, because you have said you are satisfied with the service rendered by the banks. I noted that your objection was with regard to the cost of this service. Now, as regards bill 91, I would ask you if you have read the bill through and if you have read the speech made by the Hon. Minister of Finance when he was submitting that bill to the house? You have spoken concerning costs, which is, perhaps, perfectly right with regard to the past; you have not referred to what may happen in the future. Now, I understand that the system is completely changed to-day. We have not got the same system as we had in 1929. The Minister of Finance gave a lot of useful information, and there is a lot of useful information contained in the bill which, I think, would assure you that in future things will be conducted a little differently. I gather that what you are anxious for, and I think rightly so, is more freedom of credit; that is, that credit will be easier. You state that the government of the Dominion of Canada should take over the issue of all money and so on. That is your opinion; and the government, I think, has stated, or the Minister of Finance has stated, that the government has to-day full control over the currency and credit of the country.

Mr. SLAGHT: Oh, no.

Mr. RYAN: The Minister of Finance made that statement in his submission when he brought down the bill. If I rightly read his speech I understood it that way.