

Mr. McGEER: They seem to think quite a lot of it in Quebec. They have taken over the power plant there and followed after Ontario. Then there is the Canadian National and the post office.

The WITNESS: In many places they have done a pretty fair job, and if you cling to that, Mr. Tucker, you are going to indicate to me you have lost a good deal of confidence in the power of government.

*By Mr. Tucker:*

Q. I would ask you to compare the Manitoba Telephone System which is administered from Winnipeg with our telephone system in Saskatchewan which is run by the farmers themselves in small companies. I suggest to you that the cost of operating a telephone in one province is just about half what it is in the other province. In other words, the farmers themselves where they have got control over their own small bit of business have watched over it more carefully in regard to expenditures than it could possibly be watched over when it is run from a central point such as Winnipeg as is done in Manitoba.—A. That is a semi-public ownership idea.

Q. But when you give an incentive to a person to run his own affairs he is going to put more energy and thought into it than if he has nothing to lose whether he does an extra good job or not.—A. No, I will not concede that at all.

Q. You do not agree with that?

Mr. McGEER: Who gets the cheapest phone rate, Saskatchewan or Manitoba?

Mr. TUCKER: Saskatchewan; Saskatchewan by virtue of having local companies in local control gets a much cheaper rate than Manitoba.

The WITNESS: I think it is fundamentally true. After you have got the debenture paid for you can administer the line at very cheap cost.

*By Mr. McGeer:*

Q. You do not think for a moment it would cost us as much to supply our own public finance through a national banking system dealing with public finance as it does to supply it through the chartered banks?—A. No.

Q. We would have more and have it cheaper?—A. That is what I am maintaining all the time.

Mr. McNEVIN: Nobody has been able to demonstrate that yet to this committee.

*By Mr. Tucker:*

Q. I have dealt with the cost of providing credit. Now there is the question of where the credit is provided and there I should like you to comment on the attitude of western Canada towards the extension of credit for the advancement of industry in western Canada as compared with where bank directors are mostly situated.

Mr. SLAGHT: Before the question is answered will you permit me to ask one question?

The CHAIRMAN: Mr. Blackmore has asked for the floor following Mr. Tucker.

Mr. BLACKMORE: He has got permission to ask one question.

Mr. McGEER: I consent, too.

*By Mr. Slaght:*

Q. I was interested in a statement you made a few moments ago. Before you leave the question of cost as I understood it you put it to us that if the banks were nationally operated they could then go on lending to the western farmers year after year if they were unfortunate enough to be incurring losses and having disasters, and that they should go on year after year. In putting that to us do