

That is the price we have to pay for all the liberties and privileges we got under the Statute of Westminster, passed on December 11, 1931—seventeen months after the present Government came into office.

When the Macmillan Commission came to Montreal they held a meeting in the court-house, and naturally I went there to see what they were doing. Perhaps I take my duties too seriously, but I really believe that every senator should try to study all the various problems coming before this honourable House and give us the benefit of whatever information he may have secured, much of which, no doubt, would be of considerable value. I invite my colleagues to interest themselves in public questions during the recess and gather information for the benefit of those members who perhaps have neither time nor inclination to do so.

While the Macmillan Commission held their seance in the Montreal court-house the chairman of the stock exchange appeared and gave evidence. He stated he was in favour of a Central Bank, as it was called, because he thought it would make a money market in Montreal, and then we should no longer have to depend on New York. Well, a money market is not made like that. There is no more chance of making a money market in Montreal than there is of making one in Dawson City. A money market is of slow growth. It took more than one hundred years for the money market in London to become what it is to-day, with four hundred million pounds sterling, two billions of dollars, behind it. How long would it take to establish a money market in Montreal, or in New York, for that matter, with any such sum for purposes of regulation? I will not go into details; I know my limitations. I realize that there can be no money market in Montreal, but because he thought such a market might be established the president of the stock exchange was in favour of the Central Bank. I predict, and I defy contradiction, that if God permits me to live until another session I shall see half the branches of our banks closed by reason of the loss of privilege of issue, and the necessity of paying interest on the money they will have to get from the Bank of Canada to put into their branches.

I am not in a position to say whether the closing of half our banks is good or bad. I have heard it said in this House, and outside, that the Northwest was much better off, and the people there much more prosperous, when there were hardly any banks in that country. Honourable gentlemen will admit, however, that if the windows of the banks in many little places are boarded up, and padlocks put on

the doors, the people there will have to go some distance before they will be able to find another bank. It was the people of the Northwest who favoured the Central Bank. They thought they would be able to get more accommodation; but they will find they will get none from the Central Bank.

The privilege of note issue, which has been worth at least \$100,000 a year to the bigger banks, will be cut off. It is true that the operation will not be performed all at once; the banks will be allowed to suffer for some time; but ultimately the only bills issued will be those of the Bank of Canada. The agony will be prolonged unless Parliament gets back its common sense and abolishes this plan, as I hope it will do.

The Central Bank will not pay any interest on deposits. Who is going to deposit money in that bank? I for one will not.

It is a strange thing that when the Bank of Canada was talked of, when inflation commenced—for there is no denying that we have it—the banks did not care. They thought the value of the gold they held would be enhanced so that about \$1,000,000 in gold would pay for \$3,000,000 in paper. They were laughing up their sleeves, thinking they were going to get richer, and they remained neutral. They said nothing, and the press said nothing. Everybody was happy and contented. Later it was found the depositor was to have only twenty-five per cent metallic coverage. The bankers had thought they were going to do the public and make money, but they themselves got caught. They had expected to get \$35 an ounce for their gold. Not at all! Mr. Montagu Norman came along and said, "Give us your gold and we will give you \$20.67 for it." They said, "But we can get \$35." To that he replied: "Never mind what you can get. Come across." Then the bankers commenced to laugh on the other side of their faces. The joke was on them. They got caught at their own game. They thought they were going to do the public, but the present Government is doing them.

Right Hon. Mr. MEIGHEN: Protecting the public.

Hon. Mr. CASGRAIN: The situation in regard to gold is rather funny. If the man on Mars could only look down at the earth he would have a good laugh. In many places the earth is being rent and torn asunder, and mountains are being pulverized into dust, in giant mortars, so that grains of the yellow metal may be recovered. As soon as they are recovered they are rushed to burglar-proof cellars and kept there under guard.