

to provide for the appointment and salaries of the officers and staff of the bank and the appointment and fees of the directors, and to make such further provisions in respect to the functions, powers and administration of the bank as recommended by the Royal Commission on Banking and Currency in Canada.

He said: Mr. Speaker, the bill which is founded upon this resolution is one of unusual importance and significance. It marks an advanced stage in our economic and financial development as a nation. The proposed central bank should not, I submit, be regarded as a break with the past; we are not departing from the system which has served us so well. Rather the central bank should be regarded as another stage in the natural evolution of our banking system.

It has long been an accepted principle in Canada, and I think wisely so, that banking legislation should recognize and closely follow changing conditions in the business and financial world. In recognition of this fact our Bank Act has provided for a decennial revision. The ten-year period since the last revision expired last year, but it will be remembered that at that time, in recognition of the importance of the changes contemplated, this house agreed to postpone the revision for one year in order that the situation might be thoroughly explored. To ensure that the highly technical questions inherent in such a comprehensive investigation should have the benefit of unbiassed, expert consideration, the budget speech of last year promised the appointment of a royal commission. From that speech I quote the following paragraph:

—to study the organization and working of our entire banking and monetary system, to consider the arguments for and against a central banking institution and to make recommendations for revising or supplementing our existing banking and monetary legislation.

In the meantime this proposal has been carried out, and it now becomes my duty, on behalf of the government, to submit the results to the house in the form of a bill.

The royal commission was appointed on July 31, 1933, by order in council P.C. 1562, naming the following commissioners: Right Hon. Lord Macmillan, P.C., K.C., of London, chairman; Sir Charles Stewart Addis, K.C.M.G., of London, England; Right Hon. Sir William Thomas White, P.C., K.C.M.G., of Toronto; Hon. John Edward Brownlee, K.C., M.L.A., of Edmonton and Beaudry Leman B.Sc., C.E., of Montreal.

It is unnecessary for me to dwell upon the calibre of that board and the work they accomplished, other than to say that I think the banks and the country are especially in-

[Mr. Rhodes.]

debted to Lord Macmillan and Sir Charles Addis for giving to Canada the benefit of their wide knowledge and experience at considerable personal inconvenience to themselves. The inquiry took up a considerable portion of their time, which they gave gladly and willingly, and without remuneration. I do not propose to refer to the terms of reference at length, but I should like to set out the last two paragraphs of the order in council. They are as follows:

2. That, without limiting the general scope of their inquiry into the operation of the banking and monetary systems of Canada, the said commissioners shall in particular examine the provisions and working of the Bank Act, the Dominion Notes Act, the Finance Act and the Currency Act, and the advisability of establishing a central banking institution; and

3. That said commissioners shall report their recommendations for revising or supplementing the above mentioned acts and for the adoption of such other measures as they may deem desirable to promote the revival of trade and enterprise and to facilitate intra-imperial and international cooperation for the purpose of raising the level of commodity prices and for the purpose of ensuring increased domestic employment and the stability of the economic, financial and social institutions of this country.

The terms of reference, broadly stated, provided for a study of the entire monetary and banking system of Canada, with recommendations for revising or supplementing this system. The first public hearings were held at Ottawa, and from this centre the commission undertook a dominion-wide itinerary which included important cities in every province. Sessions were held in Victoria, Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Halifax, Charlottetown, Saint John, Quebec, Montreal and Toronto. Representations were invited from provincial and local governments, public bodies, associations and individuals. The commission made every effort to secure the widest possible range of information and expert opinion. The list of those who appeared before the commission in the course of its inquiry included sixteen government representatives, twenty-eight officials of Canadian banks, eighty-one officials of public bodies, organizations and associations, and ninety-six personal representatives, making a total of two hundred and twenty-one. The record of the testimony and examinations in these public hearings covers no less than seven volumes containing over thirty-seven hundred pages. In addition the commission received written submissions from no less than one hundred and ninety-six individuals and organizations. These also received the careful attention of the commission. On the basis of this exhaustive and