side of the house as to whether or not the bill should be allowed to pass its second reading, without division, inasmuch as, in the form in which it was drafted, it appeared to be a bill for a privately owned and privately controlled central bank. It was only when the Minister of Finance gave the house the assurance that the questions of ownership and control were to be left open and might be very fully discussed in the committee to which the bill was to be referred, and that the question of private ownership and control was not to be considered as being in any way the principle of the bill, that the only principle involved was that of the establishment of a central bank, that we as a party decided to allow the bill to go to committee without division. Had we believed that there was a mental or any other reservation on the part of the Minister of Finance or of the Prime Minister with respect to the greatest freedom being permitted the committee in the consideration of the question of public ownership and control, I may state quite frankly that we would have been a unit against allowing the bill to pass without division.

This afternoon the Prime Minister has referred to one or two factors which he claims are in the nature of control by the government. One is the appointment of the deputy minister of finance as a member of the board of directors, although without any right to vote. Another is the power of veto given to the governor in certain contingencies. These amendments which inserted an element of control were proposed by hon. members of the committee who are on this side of the house. However, those amendments are insignificant in comparison with the other amendments moved from this side and which were very substantial and in our belief absolutely necessary. Those one or two small amendments were all that we were able to secure after a very strenuous battle. They are not sufficient, however, to have it for one moment assumed that in this bill there is such a thing as effective government control. The Prime Minister has referred to the right of the government to appoint the governor and the deputy governor, but that is a right which relates only to the inception of the measure. We are passing a bill which is to be upon our statutes for years to come and which it has been stated can only be amended or repealed with the consent of both houses of parliament and the bill states that the governor and deputy governor appointed by the government hold office only for a stated number of years. Thereafter the governor and the deputy governor are to be appointed by the shareholders.

Mr. BENNETT: With the approval of the governor in council.

Mr. MACKENZIE KING: Yes, but the appointment is by the shareholders, the governors become appointees of the private interests; so that the bank in the course of a very short time becomes representative entirely of private interests. Now that, it seems to me, is a very serious matter faced as we are in times like the present with what appears to be the most formidable of all conflicts of perhaps any age, namely, that of the money power versus the power of government as represented by the people in their houses of parliament. That is the issue, as I see it, the crux of the whole situation—whether this parliament, representing the people of Canada, is to create a great financial institution which is to control the credit and currency of the country, place that institution in private hands, both as to ownership and control, hand over to this privately-owned and controlled institution many of the functions and powers which the government itself at the present time is exercising, part in large measure with what the government now possess in the way of control of credit, part with what it possesses at the present time in the matter of the right of issuing currency, and hand over gold reserves and securities which are at the present moment in its possession—all this to be handed over to an institution which is to be privately-owned and controlled, or whether the institution to which these rights, powers, possessions and privileges are to be given is to be subject to an effective measure of government control. That, I think is a very serious situation, and there is no argument, it seems to me, which it is possible to bring forward that can really defend action of that kind on the part of this parliament. If it were of necessity a choice solely between the extreme of absolute government ownership and government control on the one hand, and on the other complete private ownership and private control, I could understand that there might be many who would find it difficult to decide one way or the other, there being no possibility of a middle course which would help to avoid what would be regarded as the dangers in either extreme. But there is a middle course, and it is that middle course which the government is apparently unwilling even to consider at the present time. That middle course would be to enable the gov-