

rediscount rate from time to time. If at moments there is the thought that the creation of this institution is intended to destroy the chartered banks of Canada, that is an erroneous view, for the chartered banks will still be the depository of the savings of the people and the central bank is not intended to transact that class of business.

May I point out that in Australia the chartered banks not only flourish, but flourish greatly with a central bank. I suppose most hon. members have from time to time looked at the rates of dividend, for instance, that the chartered banks of Australia pay, and they have reason to do so. The figures I have which are for 1931—the latest year book is I believe in the possession of an hon. gentleman opposite—are 14 per cent; 12½ per cent; 10 per cent; eight per cent; 10 per cent; four per cent for the preference and 15 per cent for the ordinary shares. These are the rates of dividends for the banks that exist in the Commonwealth of Australia. I mention that because there should be no misunderstanding that the true function of a central bank is to coordinate the activities of the chartered banks with its own activities for the purpose of promoting the welfare of the country as a whole. What the hon. gentleman who has just resumed his seat said with respect to credit is perfectly true within limitations. No one in this chamber, I take it, would suggest that a chartered bank should lend money to everyone who applies for it. What right has the custodian of the deposits of the people to lend where he knows the money will not be repaid? Could anything be more cruel than to do that, for it means in the end the destruction of the bank itself. So with the central bank. It will in the very nature of things release credit, control credit under certain circumstances, create facilities for rediscounting, and fix the rates, transact the exchange business between this country and the other nations of the world, deal with our international financial and monetary relations, if necessary through the bank for International Settlements and otherwise, so that in every sense of the word the true relationship between this country and other countries with respect to monetary matters may be established through the operations and activities of this central financial authority. The large powers conferred upon the bank by the statute presently to be introduced I think will be found ample for every purpose; and as the minister has indicated, to the extent to which this house in committee, that committee representing every section of Canada, concludes that amendments to be made there will enable this

bank properly to discharge the functions of a central banking authority, such amendments will be welcome.

I am glad to feel that—apart from questions of paternity—we are a unit in desiring that this measure should be as nearly perfect as our united wisdom can make it. Approaching it with real, bona fide differences of opinion with respect to some features of the measure—I respect the opinions of hon. gentlemen who say its capital stock should be the property of the people and nobody else—I feel perfectly certain that those of us who hold another view will at least have our opinions respected. But no one who sat in this house during the last few years could fail to be impressed with one fact, that is that the wit of man has not yet been able to devise a suitable authority by which the real shareholders of publicly owned enterprises can take their directors, as can the shareholders of a private enterprise at their annual meeting, and examine them and ascertain from them every detail connected with the administration of the business. We know in connection with our railway that we have set up year after year a committee and that sometimes the proceedings in that committee have degenerated into an effort to expose this, or to vindicate that. Very seldom can it be said that any committee thus constituted can be compared to a meeting of shareholders where a man gets up and asks: What about so and so? And the directors have to reply, and if need be, produce the books of the company for that purpose. Some years ago a rather distinguished citizen of Montreal, who had a few shares in the chartered banks, used to attend the annual meetings one after the other of those banks and some will recall the character of the questions he asked and insisted on having answered, as was his right as a shareholder. We have not yet been able to devise, either in this parliament or elsewhere, any institution that takes the place of the annual meeting of shareholders that subjects the operations of the directors to the scrutiny and their conduct to the criticism that is possible at an annual meeting of shareholders with the directors elected for the purpose of giving effect to their wishes in connection with their enterprise. That is one of the reasons why in this bill provision has been made for what is called private ownership. But the limitation upon dividends—and that too might be reviewed by the committee—ensures that the major part of the profits earned by this bank go to the treasury of the Dominion of Canada. The people are ensuring the success of their enterprise by the method best known