

Minister of Railways. But every time a casual question is put to the minister, with regard to any matter, large or small, relating to railways, he gets up and says, if I may put words into his mouth: "Although I am the Minister of Railways I have nothing to do with railways; I have no control." I am afraid that to a certain extent the authority of parliament and of the government over the new bank will be something akin to the authority of the Minister of Railways over the Canadian National railway system; though it must be admitted that there are a few points in this bill which invite, nay, force the Minister of Finance to interfere, first, in regard to the constitution, and then in the working of the bank.

I put a couple of questions to the minister with regard to shares, and he answered very courteously, as usual. It seems to me that a good deal of care must be exercised in that regard. My hon. friend said that it would be difficult to scrutinize the personality of each subscriber; nevertheless, more care should be taken than usual. The names of all subscribers should be well known. The circumstances surrounding their subscription could be easily ascertained by representatives of the government in the various centres in which the subscription lists will be opened. Not only should the list of subscribers be published after their subscription had been accepted, but, like banns of marriage, they should be published beforehand, so that if anyone feels that eight or ten or twenty subscribers on the list, in the city of Montreal for example, or in Toronto, or in Winnipeg, are likely to be disguised representatives of some private bank or some other concern, then the minister will have ample time to make inquiry before the certificates are delivered to the subscribers in question.

With regard to the powers of the bank and its reserve, I have a single observation to make. I congratulate the minister on having taken one precaution which he indicated on the first reading—he may have repeated it this afternoon; I was not here. In the Macmillan report, there was a recommendation which struck me at once as extremely dangerous, as capable of defeating the main object which I mentioned a moment ago, namely, that through the central bank we should make ourselves, as far as a small and indebted nation can be, masters of our finances. I am referring to the recommendation that, among the powers of the bank, the directors might at their will dispose of any portion or all of the gold reserve, and exchange it for foreign securities. That power would be extremely dangerous. I understand that the bill remedies it;

but I hope it will be made quite clear that if the directors should in any way, directly or indirectly, try to evade their responsibility in this regard, they will be liable to the severest penalties that can be imposed. From my point of view it would be the gravest breach of faith with the people of Canada that that body could commit. What would it mean? What would it mean in times of stress such as we have passed through, since the war as well as during the war itself?—I hope no such event will occur again—but what would be the significance of the suggestion contained in the Macmillan report? The directors of our bank could at a particular moment transfer all our gold to London, New York or Paris for whatever purpose they chose, taking in exchange foreign values, good, bad or mediocre.

Now, we know what role the great central banks play, very beneficent at times, a great safeguard for the governments of the countries in which they function, under some degree of state control. But we know also that foreign governments make use of these central banks for political purposes. We know the glorious but tremendous role which the Bank of England and the Bank of France have played in international affairs, both in peace and in war. If the safeguard which the minister has introduced is not made absolutely imperative, if it is not guaranteed in such a way that it cannot be evaded, nothing could prevent at any particular moment the governor and the board of directors—I forget the proper designation of the Bank of England—

Mr. BENNETT: It is the court of the bank.

Mr. BOURASSA: Yes, the court of the Bank of England or the regents of the Bank of France—nothing, I say, could prevent them from making a private arrangement with our central bank to draw our gold to Paris or London, giving us paper in exchange, paper which might be valuable or valueless but which undoubtedly, in the mind of the French or of the English government, would have for its object to tie us financially and politically to any policy they might pursue. That was done before the war: it was done during the war, and it is being done now, in London as well as in Paris, in Berlin as well as in Rome. Well, situated as we are, being, as the Prime Minister has so well said, an immense country with a small population and with a tremendous debt, we should make the directors or governors of this bank understand that their role is not to play the game of international finance in connection with interna-