

The hon. gentleman referred to the incidental effect of recent elections. I ask him if he has read the appeals that were made. Has he read them, and did he understand them? Is that the basis upon which a central bank is to function? Is it to function upon the question of religion. Is it to function upon the question of race? Is it to function upon the question of occupation? Is it to function upon the question of the residence of those who may be directing it? Is it to function on the question of politics? With that issue I am content for the public of this country to deal. But having studied the matter as long as I have, I could not in the present disturbed condition of public affairs, and with the appeals that have been made, venture to launch this institution on the stormy career that lies before it if it is to function successfully and bring credit to the Canadian people, and allow it to be subjected to the play of the forces to which I have just alluded.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the Prime Minister (Mr. Bennett) in his reply to the very able, lucid and convincing address of the hon. member for Vancouver Centre (Mr. Mackenzie), who has presented the amendment, began his remarks by saying that the hon. member had said over and over again, he said I think for the third, fourth or fifth time, some of the things which had been said in the initial stages of the debate on this question. That is perfectly true, but it is also equally true that notwithstanding these all-important things have been said so often, the government have paid no heed to them, and the strength of the argument remains what it has always been. I purpose at the moment therefore to say once again some of the things that have been said over and over again from this side of the house with respect to this bill in the hope that before it passes, even now at the eleventh hour, the government will consider the very reasonable amendment which has been proposed, namely, to refer this bill back to committee of the whole, giving the committee power so to amend its provisions as to constitute this bank one either publicly owned and controlled, or at least publicly owned or publicly controlled, which ever may appear most advisable to members of the committee.

May I say at once, Mr. Speaker, that I know there has been a good deal of searching of heart on the part of some hon. members on this side, as well as is the case with the Prime Minister and his followers with respect to what really is most in the public interest

with regard to the constitution of this great financial institution, as to whether public ownership of a great central bank was the most desirable thing, as to whether public control was the most desirable thing, or as to whether both public ownership and control was most desirable. With respect to a new institution like a great central bank it is obvious that considerations which are all important should have to be weighed very carefully pro and con.

Speaking for myself, may I repeat that I can see wherein the question of public ownership of a state bank may well be a debatable question. I regard it as debatable for the reason that there is much to be said on both sides. Unfortunately it is not a choice between perfection on the one side, and what is unmixed evil on the other. It is a choice between which is the better of alternatives, each of which has some certain very obvious definite limitations.

The objection that I see, so far as it can be named an objection, to public ownership of a central bank is that it may raise in the minds of the people of the country many expectations which may not be capable of ever being realized. Many will believe that because the state owns the central bank it will be able to meet each and every disorder that may arise in the country from any financial cause. We here all know that a state owned institution, any more than a privately owned institution, will not be able to do anything of the kind. At the same time there would be occasioned the thought in the minds of many people that having set up a publicly owned institution we had discovered a public remedy for all social and financial ills. I do not think it is advisable, or in the public interest at any time for parliament to create in the minds of the people at large expectations which are not capable of being realized.

In the second place, I believe there is always a possible danger to the position of the state itself in the event of anything untoward happening to a bank which is owned by the state. There may quickly arise in the public mind confusion between what may be a matter confined in its effects to the bank, and what may be assumed to concern the very life of the state itself. This may not happen so much within the bounds of the country where the situation may be known and understood as beyond its confines, and in the minds of peoples of other nations. One will recall that only a few months ago a very serious national crisis arose in France because simply of what was regarded as the intimate relations of the