

although somewhat late in his political career, I am in favour of the establishment of a central bank. Such an organization seems necessary to carry on our international relations in financial and commercial matters. After many years, the Prime Minister found out that which men who are not in business knew already: that Canada is really at the mercy of either London or New York in its dealings, not only with foreign governments, not only with central banks abroad, but in all its commercial dealings with foreigners. The Canadian banker, the Canadian exporter and the Canadian importer are all practically at the mercy of the bankers of London or of Wall street. This is my main reason for voting in favour of the second reading of this bill. We should have the means of helping ourselves, not in antagonism to American or English finance, but on a ground of approach which may put us on a footing of equality with the bankers of the British Empire, the bankers of the great republic to the south and the bankers of the world at large. This one object is worthy of our attention and approval; and for that reason I am entirely in favour of the second reading of this bill, as are, I am sure, my hon. friends to my left. There should be no division of opinion as to the principle of the bill as contained in the preamble. The second reading simply means that the House of Commons of Canada has decided to establish a central bank.

I shall not endeavour to enter into a discussion of the details of the bill. It will come back to us after passing through the scrutiny of the committee; and we then will be either enlightened, or perhaps more puzzled than ever, by the findings of the committee and the further evidence brought before it. I am not prepared to-night to pronounce myself either for or against public ownership. In principle and theory, a central bank, the object of which is to control the issue of currency, credit and foreign exchange for the benefit of Canada at large, for the benefit of the federal treasury and the various provincial exchequers, for the benefit of all Canadians, consuming, exporting and importing, should be a public institution. This should be a department of state, just as the defence of the land is in the hands of government, just as the making and the application of laws remain in the hands of public powers, either federal or provincial, according to their respective jurisdictions. In theory, it seems to me uncontrovertible that this bank should be a public institution. But in this respect, as in many other instances, I find myself again more British in my tendencies and

[Mr. Bourassa.]

tradition than a large and growing number of my fellow citizens and fellow members of English origin. I do not believe in theories applied rigidly. Actual and concrete circumstances must always be considered, and also, the characteristics or the shortcomings, if you like, of a people, of a civilization or of a form of government. I am afraid that with the spirit now prevailing in this country, to exploit the public treasuries, federal, provincial and municipal, and to expect from governments and their various departments a remedy to all evils, a publicly owned and publicly operated bank would be at the mercy of those people who expect to get all the money they want or desire. The administrative body at the head of the bank would be subject to all influences, political, industrial, financial and commercial, to a larger degree than a body of individuals having a relatively small private interest in an institution remaining under the authority that has constituted it, the parliament and the government. On the whole, in practice, it will give us a greater guarantee of good administration than would be the case with a government operated bank. Under different circumstances, after some years of experience, after the people of Canada have grown wiser, when they have recovered some of the self-confidence they had in the past, and retraced their steps on the wrong path they have followed, ever since the war, of looking to governments for everything, then it might become possible and might be desirable to change the constitution of that bank and make it a full fledged, publicly owned institution. That is all I have to say in that regard at present; and for that reason at least, unless something new develops, which I do not expect, I could not support my friends in their amendment, apart from the objection I mentioned a moment ago.

On the other hand, may I avail myself of my old age, of my long experience in public affairs in Canada, and fair knowledge of public matters in some other countries—France, England and the United States especially, and I might add as well Italy, Switzerland and Belgium—to say that I would not put too much emphasis on the statement made so eloquently by the Minister of Finance (Mr. Rhodes), with regard to the exercise of authority by parliament. We know in practice what the authority of parliament means, once a body of this importance is created; we know that the authority of parliament remains largely theoretical. Look at the railway commission; look at the new body instituted last year—and of this I speak freely, because I voted with the government and with the