

me if any honourable member desires them—that there should be an executive committee of the board composed of the Governor, the Deputy Governor and one director to be chosen by the directors, and that it should have all the powers of the board—not part but all—and should be the committee of management, and should report its decisions to the board. I ask honourable members particularly to note that the executive committee merely reported its decisions to the board, and its executive acts the board had no power to disapprove.

The by-laws of the bank were to be prepared and issued by the Governor in Council—the Government of Canada. The by-laws covered everything of any import at all in connection with the bank and its management and the transference of its shares. The by-laws could be amended or altered by the Governor in Council. The board could not amend or alter by-laws, but could suggest or submit amendments, which Council alone could make effective. The Governor in Council could alter by-laws without any representations from the board whatever.

The Act contained this further clause, that no one should hold more than fifty shares of, I think, \$50 each, and that at an annual meeting no one except the Minister of Finance could vote more than fifty shares. Therefore no one but the Minister of Finance could collect proxies, and he alone was in a position to vote the stock at the annual meeting. All the annual meeting could do would be to elect these directors with the status—for I will not say powers—that they really had under the Act.

It was provided further that no action of the directors on any subject should have any effect unless concurred in by the Governor of the bank or, in his absence, by the Deputy Governor. Honourable members will be wondering now, and did no doubt wonder at the time, what effective control that board of directors had. My answer is, it had none at all. It just represented a public interest in the ownership of the bank, but the incidence of ownership, the authority that normally grows out of ownership, was shorn from it and kept in the hands of the Governor in Council and its appointees.

The Governor of the bank, appointed by the Governor in Council, was to hold office for ten years, but on good behaviour at the pleasure of the Governor in Council. The Deputy Governor was appointed in the same manner and under the same conditions.

I do not think anyone will seriously suggest there was anything in the way of control that was not entirely in the hands of

the Governor in Council, representing the people of Canada. The money was procured, and the public interest was, as it were, collected and focused on the institution, by the plan of having small stock holdings in the hands of a great many people scattered all over our country.

It was further provided that the virtual ownership was in the Crown, in the State of Canada. Though the money was subscribed outside, the stockholders were entitled to only 4½ per cent, and all money earned over that was the property of the State. On any discontinuance or liquidation—though such a thing could hardly be thought of—all they got back was the money they had invested.

This seemed to be pretty satisfactory from the standpoint of the most ardent exponents of Government control of the bank. I do not know what more in the way of practical value could even be dreamt of by any individual. It did not, of course, satisfy a certain class in our country, who think that if you just run a banking system on sufficiently generous principles everybody will be in possession of all the currency he needs, and that nothing but a sinister money power withholds that plenitude of currency from everybody. The cry went forth, in language that is so familiar, that this institution had to be nationalized—had to be the property of, and to be managed for, the people of Canada, free from the money power, and particularly that there should be expansion of currency in terms of the public need. I notice many honourable members smiling at those words, that currency should be issued in terms of the public need. Those words were used by the present Prime Minister and by one of the most active members of the other House, then looked upon by many, and certainly by himself, as an eminent authority on matters of finance and currency—the present member for Vancouver.

Thus the public were excited on this question of a central bank; thus many of them were led to believe that money power had triumphed under the late Government and had dictated the terms of the measure of which this House approved, I think, unanimously, just two years ago. Thus they believed that if only men of other principles, men dominated by love of the people and not by affiliation with the money power, could get into control, currency would be issued “in terms of the public need”; which, of course, was interpreted by the member to whom I have referred, and by many another man now elected to the House of Commons, as meaning that everybody who felt great