

They may refuse credit to competitors of companies in which they are personally interested. The giving or withholding of credit largely governs the volume of business done to-day. Through their control of finance and industry the group of men already referred to exercise more power over the economic life of the people than does any government. They have power without responsibility, which is generally attended with unfortunate results for someone. Pages could be written showing the unsatisfactory features of this centralization of control in private hands. Corrective measures should be stipulated by the new Bank Act. I am not at the moment going to suggest the measures that might be taken. Various suggestions might be made but I will offer only one now, that is that the governor in council should have power to appoint one half of the directors of the chartered banks, and these men should be representative of various economic interests. In passing may I point out that although agriculture is Canada's major industry, and as we are told time after time, the basic industry of this country and the backbone of Canada, there is not as far as I have been able to gather one agriculturist on any of our bank directorates. Regardless of whether the suggestion I have made is acted upon, the fact that so much power now rests in the hands of directors of a few banks is a very good reason for the creation in Canada of a national bank. The present situation is not in the best interests of Canada. Sir John Aird, who is now president of the Canadian Bank of Commerce, when he appeared before our banking committee in 1923, referring to the aid given to certain railroads by that bank said if it had not been for the credit extended by the banks to these railways the west would now be in the hands of that great octopus, the Canadian Pacific Railway. If the Canadian Pacific Railway at that time could be so described I do not know what term would properly describe the present banking combination. There is a great deal of talk going on in parliament and throughout the country at present as to who is going to win the next election. In other words they say: Who is going to be in power? Regardless of who wins the next election it seems clear to me that those who are going to be in power after the next election are Canada's kings of finance. I have in my hand a copy of the *Grain Growers' Guide* of October 15, 1928, containing an article written by Grattan O'Leary, a very capable writer of Ottawa. Mr. O'Leary in this article is dealing with Sir Herbert Holt; it is headed "Canada's Kings of Finance" Number

One, Sir Herbert Holt. Mr. O'Leary says in part:

In parliament, Mr. King and Mr. Bennett and the others sit framing our laws; and the national spotlight is upon them. Their lightest word is telegraphed across the continent; their speeches read by hundreds of thousands; their careers followed with almost pathetic interest. We think of them as the arbiters of our destiny. It is all a divorcement from reality. In an unpretentious room in Montreal sits a man who, unobserved, almost unnoticed, has become a colossus of finance, a demigod in our industrial ledgers, master of the mightiest commercial pageant that this dominion has seen, more potent in shaping the everyday economic lives of the Canadian people than all our politicians put together.

That man is Sir Herbert Holt.

He says that Sir Herbert Holt is a splendid organizer, and he mentions the Montreal Light, Heat and Power Company, which he says is probably Holt's outstanding achievement. Over a thirty year period its shareholders have received an enormous return, the original shares of \$100 now being worth \$1,140. Then he proceeds to deal with another organization with which Sir Herbert Holt was connected. In 1927 Holt in cooperation with J. H. Gundy purchased Canada Cement, putting up the staggering sum of \$40,000,000 in hard cash. I wonder where they got that much money.

The old company was extinguished; a new one formed, with new capital; preferred stock and bonds were issued for \$41,000,000. In addition, two shares of common stock were given with every five preferred shares purchased; 84,000 shares of common stock being thus given away. Holt and Gundy still hold 516,000 shares of common, and at the present day price of \$34 per share, could sell their remaining interest in the company for \$17,544,000.

The question I should like to ask, Mr. Speaker, is whether that was of any advantage to the people of Canada. Then the writer goes on to tell how many corporations are directed by this man; he says:

How can a man keep in touch with the operations of 145 companies, embracing hotels, water powers,—

And so on; I am not going to take time to read the list. Then Mr. O'Leary winds up by referring to the power exercised by this man; he says:

—the influence which he exercises over the economic life of the Dominion of Canada. Whether that influence is for good or evil, it is not for this article to say. But when men speak of economic policies and of economic government in Canada, it is well, perhaps, that they turn sometimes from political parties and give a thought to this king of finance, who, without trumpeting of any kind, has become the richest and the mightiest man in this Dominion, a veritable field marshal of industry whose power for good or ill is unquestionably of the greatest.