

Operation Act, which expressly declares a company under it to be an agent of His Majesty for all its purposes. There is no such similar provision with respect to the Canadian National (West Indies) Steamships, Limited.

The CHAIRMAN: Shall section 80 carry?

Carried.

Shall section 81 carry?

81. (1) A corporation may, with the approval of the Minister of Finance, maintain in its own name one or more accounts in the Bank of Canada or in such bank in Canada or financial institution outside of Canada as the Minister of Finance may approve.

(2) The Minister of Finance may, with the concurrence of the appropriate Minister, direct a corporation to pay all or any part of the money of the corporation to the Receiver General to be placed to the credit of a special account in the Consolidated Revenue Fund in the name of the corporation, and the Minister of Finance may pay out, for the purposes of the corporation, or repay to the corporation, all or any part of the money in the special account.

(3) Notwithstanding the other provisions of this section, where the appropriate Minister, and the Minister of Finance, with the approval of the Governor in Council, so direct, a corporation shall pay to the Receiver General so much of the money administered by it as the appropriate Minister and the Minister of Finance consider to be in excess of the amount required for the purposes of the corporation, and any money so paid may be applied towards the discharge of any obligation of the corporation to His Majesty, or may be applied as revenues of Canada.

Mr. WRIGHT: Which of these corporations use the Bank of Canada for their accounts as between a chartered bank? I notice that this makes provision that they may carry accounts in either the Bank of Canada or the chartered banks. To what extent do they do that?

Mr. BALLS: The only corporation that uses the Bank of Canada to my knowledge, is Commodity Prices Stabilization Corporation.

Mr. WRIGHT: Why would they use the Bank of Canada?

Mr. BALLS: I could not tell you the reason, sir. It was just simply the arrangement which was made at the time of the incorporation of Commodity Prices Stabilization Corporation some ten years ago.

Mr. WRIGHT: I would like to pursue this a little further. If one corporation uses the Bank of Canada they must use it for some specific reason, that it suits them better or they get a better deal. I would like to know why one corporation would use the Bank of Canada, while others do not. It seems to me if it is good business for one corporation to use the government bank, it should be good business for other corporations doing similar business and carrying similar accounts, to use the Bank of Canada. I would like to know the reasons for the use of the Bank of Canada as against the chartered banks.

Mr. CLARK: I think, Mr. Chairman, the reason for that is historical. This is a corporation that was part of the Finance Department, very closely connected with the Finance Department. The head at that time was the former Deputy Governor of the Bank of Canada. The corporation was also carrying pretty large balances for a time for subsidy purposes, and in connection with its operation of price control, and for those reasons it seemed natural at the time to use the Bank of Canada as its fiscal agent. I would say, Mr. Wright, it would not get a better "deal" from the Bank of Canada than from another bank. The Bank of Canada cannot allow interest on its deposits and, normally,