

to him to say that he studiously avoided such a reference. Let me read from section 6, part II of the Finance Act:

Such securities shall be deposited with the minister or with an assistant receiver general; and the minister may request the trustees of the central gold reserves to make a valuation of and recommendation as to the amount which in the judgment of the trustees may properly be advanced on any securities offered in pledge under this part.

I ask: Who are these trustees that are given such enormous powers? Subsection 4 of section 61 of the Bank Act reads:

Appointment of trustees. Central gold reserves.

4. The association may, with the approval of the minister, appoint three trustees and the minister may appoint a fourth trustee.

The other day I asked the Prime Minister as to who the trustees at the present time were and he replied to me, as reported on page 3511 of Hansard:

The trustees are the Royal Trust Company, the Bank of Montreal and the Royal Bank of Canada.

The Royal Trust Company is, I think, generally considered to be more or less a subsidiary of the Bank of Montreal, so that apparently the Bank of Montreal and the Royal bank are the two who determine what advances shall be made under the Finance Act. The people have nothing to do with the matter; the gold reserve has nothing to do with it. Let me repeat this sentence from Mr. Meighen's speech:

Under the Finance Act of later years, our government was authorized to advance to banks—

Not to municipalities, although the banks may offer municipal securities.

—against specially named classes of collateral, government notes by way of temporary loans and no provision was made for a gold reserve against these notes. . . . As to the money advanced under the Finance Act—

Listen to these words:

—it is indefinite, consequently loans of unstated amounts, without limit, depending wholly upon the discretion of the Finance department, can be made without a gold reserve.

If that be true, I submit that much of what the Prime Minister said the other day was absolute nonsense. Without any undue reflection upon the Prime Minister, I say that those statements of Mr. Meighen read in conjunction with the Finance Act indicate clearly that my right hon. friend's contention that we had for all our money a sufficient gold reserve was—well, parliamentary language fails me!

[Mr. Woodsworth.]

I should like to reply briefly to what was said the other day with regard to myself by the Minister of Trade and Commerce (Mr. Stevens). He will forgive me for replying to him in his absence, as he spoke in my absence. The other day I made this statement with regard to the Farm Relief bill:

If we give great powers to the Dominion government and they proceed to use those powers in order that the banks and insurance companies may write up and keep written up their assets, and in order that loans may be made to the railways, I would say that the result will be disastrous indeed for this country.

I am quite prepared to stand by that. But on the basis of that statement the Minister of Trade and Commerce had this to say about me, at page 3470 of Hansard of March 28:

Why does the government, he asks, safeguard insurance companies when the people of this country are out of work.

That is something I did not ask. He went on to say:

This is the utterance of a demagogue.

In the first place he puts words into my mouth which I did not utter, and then he characterizes me as a demagogue. As a matter of fact, what I was at the time protesting against was this, that the government under the Unemployment and Farm Relief Act, as has been time and again pointed out, did use their powers not merely to give relief in the drought stricken areas in Saskatchewan and to the unemployed, but also to allow the writing up of the assets of the insurance companies. I submit I am perfectly justified in resenting that being done under that kind of legislation, and in so doing I do not think I can be classed as a demagogue.

The Prime Minister himself in introducing the legislation last year with regard to insurance companies admitted:

A more stringent restriction of investments by life insurance companies is desirable.

And, speaking particularly of the Sun Life, he said:

As to the wisdom of some of the investments . . . they are not investments that I would make.

I am not at this time going to refer to the plea that we put up some years ago for the mutualization of the Sun Life. I am not going to deal particularly with the large dividends and big salaries enjoyed by the officials of that company. I am not going to go into the rather shady transactions of the officials of that company in connection with the Kreggers and the Insulls, but I do urge that when I suggest it is dangerous to give powers to the government when the govern-