

customers' cheques. Their dependence upon public confidence is so vital to their solvency that in actual practice they invite disaster whenever they make loans which are not accompanied by satisfactory guarantees for their repayment. If the banks are to maintain their solvency they dare not make loans or advances unless they have reasonable confidence that they will be repaid in due time. The fact remains, however, that the banks now have an almost complete monopoly of the credit facilities of the country. They may restrict or extend credit at will within the limitations which I have mentioned; and the question has arisen whether the control of credit should continue to be exercised in the sole discretion of the directors and officials of the banks.

I trust that every hon. member of the house will study that statement carefully. I would suggest that it be printed in large type and distributed to every member of the banking and commerce committee, who will be charged at the present session with consideration of the revision of the Bank Act. That act is to be revised at this present session. The speech from the throne also announces that a central bank for Canada is to be established. This will be something new in the financial structure of the dominion. On what foundation this new central bank is built will depend its success or failure and its influence for good or evil over the lives of the Canadian people. If it is founded on the lines suggested by Lord Macmillan in his recent report, that is under private control, then it is just going to add another link in the chain of international financial domination, which I say without hesitation is largely responsible for our present unhappy condition, as well as that of other countries with privately owned central banks. No, Mr. Speaker, let Canada give a lead to the rest of the world and establish a publicly owned central bank, as recommended by Premier Brownlee in his minority report as a member of that commission.

I wish it distinctly understood, Mr. Speaker, that my resolution does not ask for the nationalization of our present banks; that would be unwise and too costly. The banks have such tremendous sums stored up in palatial structures that I am sure they will wish to retain them as reminders of their monumental folly. What I do ask is that the state resume its complete sovereignty and inherent right to control and direct finance in the interests of all of the people of the country. If this is not done and the control of finance remains in the hands of selfish private interests, then it is my firm conviction that, as inevitably as we are sitting here, we are going to face ruin in the not distant future.

May I ask that when the vote is taken on this resolution every hon. member may

forget his party ties, remembering that Canada is bigger and the welfare of her people more important than any political party.

Mr. HENRY E. SPENCER (Battle River): Mr. Speaker, in seconding this resolution proposed by the hon. member for Camrose (Mr. Lucas), I do so with a great deal of pleasure because I find that although this subject received very meagre consideration ten years ago, to-day it is receiving not only a great deal of thought throughout the country but also much more consideration in this House of Commons.

The subject has been so well discussed by the hon. member for Camrose that I hesitate to take up very much time in going over ground that has been covered so ably already. We must realize, however, that this depression and the chaotic conditions which we are facing really reflect the unstable monetary conditions under which we exist. We have heard a great deal with regard to poverty in the midst of plenty; this phrase has passed from mouth to mouth daily, but how much is being done to solve the problem? Surely none of us are satisfied, when we admit that this is a country rich in natural resources, that we should have so much poverty, degradation and crime in a new country like Canada. The faulty link, as my hon. friend has mentioned already, is the one between production and consumption, and for that reason this resolution is placed before the house to-day.

Money should be a medium of exchange; we should recognize that at all times there should be sufficient money available to enable all goods and services that may be offered and are wanted to be transferred from one to another. If there is a shortage of money, total goods cannot be transferred. At the present time, in the orthodox mind, money is considered the more important, and goods and services are curtailed to fit in with the amount of money available. Money should be looked upon as a ticket system, and sufficient money should be in circulation at all times to enable us to trade with each other to the fullest possible extent. We know full well that gold as a basis has failed hopelessly for some time past; that has been recognized perhaps more clearly in the last seven or eight years, so very little is said about it to-day. Only three years ago we heard Sir Basil Blackett, a director of the Bank of England, admit here in the city of Ottawa that there was absolutely no need to retain gold as a basis behind our internal currency. Of course gold still has value with regard to the settling of international balances, but I claim that the basis