that at least he fought against the financial power, while our ministers of finance apparently have acquiesced in their policies.

May I emphasize several points which seemed to me to be of importance, but which are not affected by this measure. First of all let us consider the interlocking directorates of our present chartered banks. Although there may be some control of credit in this new body which is to be created, as a matter of fact a very large measure of the control of credit will still be in the hands of the chartered banks. That means that they can throw credit this way or that way. I am glad to note in the outline of the legislation containing proposed changes in the Bank Act that there is some little control over the amount that may be loaned to directors. That will be of assistance. But even with that we may still have the chartered banks very largely in the position to say whether credit shall be given or withheld, and to whom credit shall be given. We in this group still think, that credit ought to be in the nature of a public utility and that it ought not to be placed in the power of private, and may I say, irresponsible individuals.

I am glad to note in this proposed legislation that ultimately the new bank is to have control of the issuance of the currency, but I do not know why the government should treat the banks so leniently. Several years ago we were told that the franchise of issuing currency was of no very great importance, but now the banks have come to the position where they admit that it is of great financial importance to them, and so under the proposed legislation this franchise is to be taken away from them by very gradual steps indeed. It does seem to me that the issuance of currency is a prerogative that ought never to have been surrendered and one that ought immediately to be taken back by the government.

As to the control of credit itself, which in my judgment is a great deal more important than the power to issue currency, may I read two or three very significant sentences from the Macmillan report, which I believe the Minister of Finance has already quoted to-day:

> From a national point of view, the central bank, within the limits imposed by law and by its capacities, should endeavour to regulate credit and currency in the best interests of the economic life of the nation and should so far as possible control and defend the external value of the national monetary unit.

Again:

> There are many factors, of varying nature, which combine to influence that level, and a central bank, working as it does purely in the monetary sphere, cannot be expected to have complete control, though it may well have a measure of influence.

Still further:

> It is manifest, however, that the regulation of the volume of credit is an important factor in influencing the level of economic activity and therefore of prices, and this is one of the cardinal tasks of a central bank.

That is the position, Mr. Speaker, that we in this corner of the house have taken for some years. We were laughed at by members of the older parties even though we quoted as our authorities some of the best economists and some of the most experienced bankers in the old land. Only this session someone ridiculed us suggesting that we should confine ourselves to practical matters. But we regard it as a full vindication of our position that the Macmillan report has frankly recognized the influence on the price level of the control of currency and credit.

I am rather sorry, however, that the Macmillan report and the Minister of Finance, following that report, have not gone so far as to advocate the assumption by the central authority of greater powers. There is one little sentence which I omitted from the excerpts which I have given from the Macmillan report:

> If it attempted to exercise any drastic control it would have to wield powers far beyond those which any body other than the sovereign authority would be entitled to exercise.

I submit, Mr. Speaker, that unless some body, either the newly appointed bank or the government, itself exercises what is here termed sovereign authority, we are not going to secure the full control of credit, and are not going to be able to control price levels. I think that nothing short of that is going to help us in a material way to solve our present difficulties.

We were told by the present government some years ago that the Finance Act was able to function in this country as a central bank, and that we did not really need a central bank in this country. I recall an amendment which I offered to the Finance Act which if passed would have had the effect of enabling our Finance Act to be of some real service. Possibly I might be permitted to read from that amending bill which I proposed:

> The minister may, subject to the approval of the governor in council, appoint a board of commissioners to exercise, under the supervision of the minister, the powers vested in the minister by this act, and without limiting the powers which are by this act so conferred the board may—
>
> (a) exercise the powers conferred upon the minister by section five of this act;