

lieve that has commended itself to the judgment of observers in other parts of the world. That is all I can usefully say with respect to that.

There is one thing more with respect to the question raised yesterday regarding the central bank. I do not desire to take a great deal of time in traversing this matter, but what I endeavoured to say in London, Ontario, I repeat here, and it is wholly consistent with what took place. When I realized for the first time that this Dominion of Canada could not carry on direct exchange operations with London for any substantial amounts except through Wall street, I personally was of the opinion that this country should have a central bank. A central organization is essential for the purpose of maintaining exchange rates and proper balances. That did not indicate in any sense that the government had so concluded; it was my personal conclusion. I recorded it the other day in London, Ontario, during the course of my speech there. We said last year in this house—I said it in 1932—that we believed the matter would require careful consideration at the next revision of the Bank Act. I thought so then and I think so yet. It is not important what one thinks or does not think with relation to it, but it cannot be gainsaid that it was desirable that an opportunity should be afforded to the Canadian people to present their views on this matter to a commission which represented every phase of thought with respect to financial matters. The banking interests were there, the agricultural interests were there, and what might be called the non-partisan judicial interests were there. An opportunity was presented to all. While I deprecate very strongly the statement read yesterday as to what took place at the conference in London, England, far be it from me to suggest that for a single moment was I responsible for the shaping of any resolution. I voted for that resolution and it was unanimous. I am sorry if through an inadvertence a newspaper reporter has made it appear that I endeavoured to accept any credit for that resolution. I merely voted for it as I believed it was desirable that in countries such as this—there are some others—there should be a central banking authority.

The bill to be presented to this house is not any effort on the part of the government to snatch glory or advantage from their opponents; it is because I believe, with the knowledge I now possess, that twenty years ago there should have been a central bank in Canada. That is a matter of profound conviction at the moment. I trust that the bill

[Mr. Bennett.]

to be submitted to the consideration of this house will receive the careful attention which is essential to its successful operation. I think it is quite clear to everyone that we must have such an organization. However, it will not discharge all the functions which some people think it will. It will not give every man money whether or not he has security.

I quite agree with what the right hon. gentleman has said with respect to conditions in western Canada. I lived thirty years of my life in western Canada. I have seen a man with little capital, with practically nothing but his own hands and courage, go upon a homestead and accumulate a great competence and leave a fairly substantial fortune behind him. Across the road I have seen another man take another piece of land equally good, and turn out to be an abject failure. You cannot in the west, any more than in the east, estimate what the differences between individuals are that bring success or failure to their undertakings. One succeeds, the other does not. The hail takes one, the other escapes. The grasshoppers destroy the crops of one while they miss the crops of the other. One succeeds, the other fails. Ever since I have been in western Canada there has been an insistent demand for the loosening of credit. Sometimes I have said to the people of western Canada, as I have said in this chamber, that the banker who would lend indiscriminately the money of his depositors would be untrue to his trust by so doing. Sometimes men have the idea that they should be loaned money simply because they are alive, regardless of any other consideration than their own necessities. After all, a bank holds the money of its depositors in trust, and it cannot lend that money to those who have neither character nor possessions to support their applications for loans. These things must be dealt with upon a business basis.

An effort is now being made to launch a central bank in this country so that credit may be available for the banks under conditions which I trust will be satisfactory. It must not be forgotten that the provisions of the Finance Act provide for many credit facilities which were satisfactory but complaint has been made in days past that fundamentally it did not strike at the very roots of a central reserve bank, of exchange, of international balances and of stability. The world is suffering to-day from a lack of stability in its currencies and in its exchanges, and it is my view, rightly or wrongly—it is the view expressed the other day by Mr. Ramsay