

Questions

TABLE 1

NHA Loans Approved for Elderly Persons in the Municipal Counties of Richmond and Wolfe Province of Québec 1965-1969

Location	Period	New Housing			\$000
		Loans	Units	Hostel Beds	
Richmond County					
Bromptonville Town.....	1968	1	4	34	273
Richmond Town.....	1969	1	6	53	438
Asbestos Town.....	1969	1	5	44	377
Wolfe County					
Weedon Municipality.....	1968	1	—	39	253
Disraeli Municipality.....	1969	1	—	52	364

Note: CMHC statistical data are not recorded on a constituency basis.

BANK OF CANADA

Question No. 1,209—Mr. Benjamin:

1. What is the relationship between the Bank of Canada and the Government of Canada?

2. For what reason is it inappropriate to answer questions on the internal administration of the Bank of Canada?

3. To whom does the Bank of Canada answer on matters of its internal administration?

Hon. E. J. Benson (Minister of Finance): 1. The Bank of Canada is incorporated as a body politic and corporate pursuant to Section 2(1) of the Bank of Canada Act. The relationship between the Bank of Canada and the Government is established by the various provisions of the Act, i.e.,

Section 17(1) provides for capitalization and the issue of its shares to the Minister of Finance on behalf of Canada. The Minister is the sole shareholder.

Section 24(c) provides for the payment of the Bank's net income to the Receiver General for the credit of the Consolidated Revenue Fund.

Section 25(1), (4) and (5) provides for the appointment by the Governor in Council of the shareholder's auditors, for their direction by the Minister and for reports to him.

Section 26 provides for weekly and monthly returns to the Minister on the assets and liabilities of the Bank, for a monthly return regarding its investments and securities issued or guaranteed by Canada, and for a weekly return on notes in circulation.

Section 27 provides for the submission of an annual audited statement of the Bank's [Mr. Andras.]

accounts and the Governor's Annual Report to the Minister and for their tabling in Parliament.

Section 14(1) requires the Minister and the Governor to consult regularly on monetary policy and on its relation to general economic policy. Section 14(2) provides for a specific directive by the Minister with the approval of the Governor in Council to the Governor in the event a difference of opinion emerges between the Minister and the Bank concerning the monetary policy to be followed.

Section 20 provides that the Bank shall act as fiscal agent of the Government of Canada without charge. The Bank manages the Exchange Fund Account.

Section 21 gives the Bank the sole right to issue notes intended for circulation in Canada and provides that the form and material of the notes shall be approved by the Minister.

2. By the Bank of Canada Act, Parliament vested the management of the internal administration of the Bank in its Board of Directors. Relevant portions of the Act are:

Section 5(1) provides that the management of the Bank shall be under its Board of Directors and stipulates that the Board shall be composed of the Governor, Deputy Governor and 12 Directors.

Section 6(1) provides that the Governor and Deputy Governor shall be appointed by the Directors with the approval of the Governor in Council.

Section 8 provides that the Governor is Chief Executive Officer of the Bank and on