

some regulatory powers which could be exercised without any real injury to the banks.

The report states that a Central Bank will create a similarity of banking customs throughout the various parts of the Empire. In Great Britain the Bank of England is the Central Bank. Australia has established a Central Bank. The respective states now forming the Commonwealth had established state banks, and the banking system was in a more or less chaotic condition. It was realized that without a Central Bank it would be impossible for the Federal Government to exercise any control. I am told that the Central Bank is working well and has been of great benefit to the Commonwealth. South Africa has established a Central Bank. New Zealand has a Bill before its Parliament to establish a Central Bank. With all the other component parts of the Empire in this position it is obvious that we need a similar institution. It is intended that the Central Bank to be established shall take care of exchange and the stabilization of currency between this country and the other self-governing dominions.

This Central Bank will enable us to pay for our purchases and receive payment for our sales abroad, instead of having to transact this business through New York. To-day nearly all our bills are paid by drafts on New York. This involves the payment of a very large sum of money annually in commissions to the banking houses of New York alone. When the figures are laid on the table honourable members will, I am sure, be surprised to see what it costs this country to pay its foreign bills and to receive payment for its exports.

I have ventured to deal with this subject somewhat fully because it seemed to me that my honourable friend from De Lanaudière (Hon. Mr. Casgrain) was creating a wrong impression as to the relative functions of our chartered banks and the proposed Central Bank.

With respect to his glowing tribute to the British Empire, I am in full accord with everything he said.

Before my honourable friend resumed his seat last night he amused me by his reference to Providence. For my part, I have never felt that Providence had very much to do with politics. I have always thought that in the political field we are left pretty much to our own devices. My honourable friend instanced the prosperity of this country under the Laurier regime. He said that every time Sir Wilfrid Laurier was in power Canadian Pacific stock soared, and that it reached

a high mark of 240. As a matter of fact, it really went to a peak of 267½. I should be very sorry to gauge our national prosperity by stock market quotations. I should think the late illustrious leader of the Liberal party would have resented being given credit for the inflation of the Canadian Pacific or any other stock, or being held responsible for the vast amount of money that this inflation has cost the citizens of Canada and foreign investors. Canadian Pacific stock was never worth 265 or anything like it. The only value of a stock is in the return it pays on the investment, plus its future potentialities. To show the fallacy of my honourable friend's argument, I may say that the highest dividend the stock ever paid on the old valuation was \$10 a share. When, a few years ago, the stock was split into four it paid three per cent. Does anybody suppose that three per cent was an adequate return on an investment subject to government regulation and to market fluctuations and changes in traffic conditions? Certainly not. No person should invest, except for speculation, in an industrial stock that does not pay at least six per cent, and even at that he is taking a very long chance. My honourable friend's argument in this respect is as fallacious as many other arguments advanced on behalf of the party which he so loyally supported. We seldom talk politics in this Chamber, but I could not refrain from drawing attention to what I consider a most absurd argument.

I am glad to be able to agree with what has been said in another place, that prosperity is slowly coming back. Undoubtedly it would be most unfortunate for Canada and for the world generally that we should jump back immediately into prosperity, for if we did, in all probability we should jump immediately out of it into the slough of another depression. A slow, gradual, general recovery is what is needed to put this country on its feet.

Let me give some of the evidences of returning prosperity. The wealth of a country is derived from four sources only: the soil, the forests, the mines and the sea. Everything else is built up on those four basic sources of wealth. I have always felt that the financial set-up of our country and the usage of the world for generations past have tended to deprive the primary producers of the true results of their toil. The farmer who by the sweat of his brow produces a crop, be it wheat, hay, potatoes or anything else, is entitled to the first fruits—the cream. Not only does the farmer not get a fair share of the wealth he produces, but other primary producers are similarly unfortunate. The lumbermen who work in the woods, the logger,