

*Bank of Canada Act*

that convention beside those two gentlemen and they were very active in getting the resolution adopted, a resolution which was actually more radical by far than what we propose this afternoon.

During the provincial election of 1933 the late Senator McGeer published a pamphlet entitled, "The Conquest of Poverty Through the Reform of the Banking System," which was distributed wholesale in British Columbia. It urged the reform of the banking system and indicated that these were the views of the Liberal party at that time. This, Mr. Chairman, is a story which has been told repeatedly in this house in other parliaments and also in the legislatures. President Lincoln, during one of his campaigns, recognized the fact that governments are controlled by those people who have the right to issue money. Thomas Jefferson, who was the first Secretary of State of the United States, once said:

I was duped . . . by Secretary of Treasury (Hamilton) and was made a tool for the forwarding of his schemes, not then sufficiently understood by me . . . The issuing power should be taken from the banks and restored to the government to whom it rightfully belongs.

That is what we are arguing this afternoon. I remember that a former prime minister of Great Britain, Mr. Gladstone, also recognized this fact. I remember that on one occasion, Mr. Woodsworth, speaking in this house on February 22, 1934, as recorded at page 834 of *Hansard* for that date, had this to say:

I would urge today that the power of finance in Canada is almost supreme. I think I am not going too far to say that in practice it is greater than that of the government. In recent years some of us have been almost shocked when we learned that the army and the military clique in Japan had never been brought under the control of the parliament of that country. Well, I take it that in Canada the financial powers have never been brought under parliamentary control. Even as far back as the time of Mr. Gladstone I find that there was a dawning recognition of the tremendous power of the banks.

Reading from Morley's Life of Gladstone I find a statement from Mr. Gladstone:

"From the time I took office as Chancellor of the Exchequer I began to learn that the state held, in the face of the bank and the city, an essentially false position as to finance. The hinge of the whole situation was this: The government itself was not to be a substantive power in matters of finance, but was to leave the money power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first . . . I was tenaciously opposed by the governor and the deputy governor of the bank"—

● (5:00 p.m.)

That is the Bank of England.

—"who had seats in parliament, and I had the city for an antagonist on almost every occasion."

[Mr. Herridge.]

On the next page Mr. Woodsworth went on to say:

I submit, Mr. Speaker, that unless some body, either the newly appointed bank—

The Bank of Canada.

—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.

For many years in this house the late William Irving made speeches which clearly indicated the international control over the banking system of the world, largely by European and United States banks. On June 27, 1938, as found on page 4271 of *Hansard*, Mr. M. J. Coldwell made some comments during a discussion of a bill to amend the Bank of Canada Act. These quotations indicate that for years and years, according to Mr. Woodsworth's speeches and the speeches of other progressive members of this house, this party had advocated the very policy which has been advocated this afternoon. This is what Mr. Coldwell said:

This measure can be of great practical importance. It depends on how the new Bank of Canada functions and to what extent it is made an instrument of public policy. I should like to think that just as in Sweden, New Zealand and other countries where the central bank is under national ownership and control, the Bank of Canada will play an important part in preventing booms on the upswing and deflationary depressions on the downswing. I believe that a central bank publicly owned and properly operated can do much in these directions.

During Mr. Coldwell's speech Mr. R. Reid, who was the Liberal member for New Westminster at that time, expressed his endorsement of this principle. That was during the days when the Liberal party in British Columbia was all for nationalization of the banks. Mr. Coldwell went on to indicate how progressive members of this house had since 1924 urged the establishment of a nationally owned central bank which would be responsible for the issuing of money.

I also find that when speaking in this house on March 13, 1944, the present member for Winnipeg North Centre endorsed the same principle. At that time he was speaking about the social capital that would be required after the war was ended for the building of various public projects for the federal government, the provincial governments and the municipalities. This is what he had to say:

First, there is the fact that the bill gives the Industrial Development Bank—