

through their representatives in parliament. To permit anything of the kind is to create a power which is greater than parliament itself. It is especially dangerous when the power is that of financial interests, the money power so-called. A central bank is an institution to which the state delegates a certain very important function, the control of the monetary system, but this function has definite social and public aspects and must be regarded as such. The report on which this bill is based at paragraph 207 says that the state "must necessarily retain ultimate sovereignty in matters affecting the currency." The important point is that the central bank is a social function. It is, to say the least, questionable whether a created private organization should have this power delegated to it. There can be no question that it is the duty of the central bank to stand out against the pressure of governmental policies which the bank believes to be injurious to the public good. But if a government decides that a certain monetary policy—using the term in its broad sense—is desirable, and if it is prepared to follow it at all costs and to be responsible to the public for it, then it must be, under a democratic scheme of government, the duty of the central bank to carry out that policy. That, I think, is sound and will be appreciated as lying at the essence of democratic control on the part of the state of all that relates to the affairs of the people themselves.

I touched on all this at some length the other evening. I spoke as well of something else, and that is the danger of this institution which we are creating, establishing policies that will be in direct opposition to those of the government of the day, and policies which may be able to set at defiance or wholly to defeat those of the administration of the day. As I have said over and over again, I believe the Prime Minister is interested in furthering imperial policies with respect to trade, shipping, finance, defence and all other aspects of our economic life. So far as hon. members on this side of the house are concerned we believe in national policies which will retain freedom to our parliament at all times with respect to carrying out the will of the people as it may be expressed in regard to any of these questions, whether they be trade, shipping, finance or defence. We believe so far as Canada and other parts of the empire are concerned, that any step which lends itself to the development of imperial policies in a way that may bring about a conflict between an imperial and a national point of view in matters of government is going to be the first

step towards the dismemberment of the empire itself. For that reason we are very strongly opposed to any measure in which we see a danger of that kind.

The present legislation, establishing the Bank of Canada, is a definite step in the establishment of an imperial policy of finance, under which the financial destiny of Canada is placed under persons independent of parliament, who can maintain, through the Bank of England and the other central banks of empire nations, a definite and positive control of empire currency, credit and trade. That being the case, I feel very strongly that this measure ought to be reconsidered before we are asked to vote upon it.

The Bank of Canada, as constituted by this proposed enactment, will undoubtedly be the means of vesting in the Bank of England the management and control of Canada's foreign exchange and Canada's internal credit administration. As I said the other evening, once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control, will wreck any nation. Until the control of the issue of currency and credit is restored to government and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and of democracy is idle and futile. Those are strong words; they constitute a strong argument and they are words of which this house ought to take full account before it is too late.

May I, just before I conclude, draw attention to the nature of the struggle there has been in Great Britain itself between the government of that country and the money power there as represented by the Bank of England. What I wish to point out is that for years, for decades, for almost a century past the government of England has been trying more and more to free itself from the control of the banks and the financial interests as represented by the Bank of England in particular. They have been seeking to get the control of credit more and more into the hands of the state, into the hands of those who represent the wishes and the will of the people. This has been a long and very hard struggle. At the present time the whole trend of discussion on financial matters in Great Britain is to bring about in Britain itself a larger measure of state control of the banking system and of credit. What are we doing? We to-day are deliberately seeking to part with what measure of control we now have, and to make the financial interests even more independent of parliament than they have been heretofore.