farmers of western Canada, and the same difference, in proportion, would apply to all our other exportable products. It is worth while pointing out that while we have strained every effort during the last three years to balance our budget, last year we wound up with a deficit of something like $150,000,000, while the commonwealth government of Australia for their last fiscal year had a surplus of £3,000,000, largely due to a different monetary policy. One reason why Australia was able to have this different monetary policy was that they had a bank of their own, a nationally owned bank if you like.

This is perhaps not the appropriate time, to discuss in detail the proposal as brought in by the Minister of Finance this afternoon; that will come when we have had an opportunity of reading his remarks in full and seeing the bill. I do want to say to-day, however, that I see no reason at all for having any paid-up capital for this bank. The Commonwealth Bank of Australia had no paid-up capital, and it has been an eminently successful institution and has made profits for the government. If I remember correctly it started off with an advance from the government of £10,000 for till money, but I am satisfied that it had no paid-up capital. I see no reason at all for loading up this bank with a paid-up capital of $5,000,000 on which we are going to pay six per cent. That means paying out $300,000 a year to the holders of this stock, and there is no need for that.

Next I want to say that in my humble opinion this should be a nationally owned bank, as was stipulated in my resolution in 1931. This country to-day is facing problems which are very difficult of solution. Almost every problem that you could name, almost every problem that was mentioned in the debate on the speech from the throne which took up three weeks of the time of this house, depends on a national credit policy for its solution. To-day we should have the very closest cooperation between the central bank and the government. That cooperation should be as close as the cooperation that now exists between two departments of the government. This bank is going to have more power than the government has, once we turn over to it the sole right to issue legal tender and credit in Canada. I cannot imagine this house turning over to a privately owned institution the sole right to issue legal tender in this country, in which debts of approximately fifteen billion dollars are expressed. Is a private corporation going to issue enough legal tender or is it not? Apparently this parliament is to have no say in the matter; we are going to turn over that right to a privately owned institution. I simply cannot let this opportunity pass without saying to the Minister of Finance that I do hope that when we come to discuss the bill he will see his way clear to change that part of it so that the bank that is to be set up in Canada, that is to have such wide powers and that might be so useful to us in solving the problems with which we are now confronted, should be nationally owned and controlled.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like, if I may, to endorse and supplement what has been said by my hon. friend from Macleod (Mr. Coote). It was with somewhat mixed feelings that I listened to the announcement of the establishment of a central bank in this country. We have been advocating something of the kind for years.

Mr. BELL (Hamilton): How many years?

Mr. WOODSWORTH: For some ten years, but I must confess that I am not very well satisfied with the announcement that has actually come to us. It seems to me if I might use an illustration it would be something like this: A sharp knife is preferable to a dull knife; but a sharp knife may be used in the hands of a skilled surgeon to save life. It may be used in the hands of a murderer to take life. I am afraid the central bank may become a means of more effectively scalping the public. The pressure of public opinion undoubtedly has forced the government to take action along this line. This measure may possibly placate the public, but I think it is only fair to warn the Canadian people that the central bank as proposed will not accomplish what some of us, at least, have been urging during these years. As was to be expected, the banks have again won. Even although in some individual measures proposed the banks may not be in full accord, essentially the financial control still remains with the financiers and is not secured for the public.

As I heard the reasons advanced by the Minister of Finance (Mr. Rhodes) for the establishment of a central bank I could almost hear the echoes of what we have said in this corner of the house for some years past. But when he proceeded to give the outlines of the proposed legislation I felt that after all we were being, shall I say, "fooled." I do not wish to use any word which would be offensive, but my belief is that the legislation proposed will be so far from accomplish-