

hope that with the new conviction which has become general among the public as to the importance of banks and their direct effect upon the industrial life of the people, we may perhaps make a little more headway this time than we did previously.

Although the amendments to this act have an importance in relation to policy, they are not the most important thing. The important thing about the Bank Act is the monetary policy which it embodies. So far as I know, the monetary policy of this country has not been altered materially by this bill. It is true that the central bank proposal will affect the Bank Act somewhat since a good deal of power which was exercised at one time by the chartered banks or not exercised by anyone will now be entrusted to it. No doubt the general monetary policy of the nation can be more appropriately discussed when we take up the Bank of Canada Act. I think in this legislation it should be made clear and unmistakable to the chartered banks what is to be the policy to be followed by them in the handling of our internal credit. This bill ought to tell us whether these banks will have to trim down their handling of currency and credit during the next ten years to a preconceived, antiquated and unscientific stupidity known as the gold basis, or whether they are to be allowed to let out the credit of the country upon the basis of the aggregate wealth producing capacity of the nation. To my mind this is a very important feature of the Bank Act. So far as I am concerned I intend to press for these matters both on this bill and on the central bank proposal.

I desire to follow the example of the hon. member for Macleod (Mr. Coote) and place on Hansard certain data to indicate the actual forces which control the financial life, the industrial life and the government of Canada. I do not think it can be said too often that the power that controls our monetary policy, controls the national policy of the state. I desire to put on Hansard certain data to make this fact a little more clear. If we cannot secure any alteration in our financial policy, at least we can place before the people of Canada some of the facts concerning the institutions in question. I intend to make a general survey of the relationship which exists between the Canadian banking system and the business of the country, and in doing this I have followed the example of the previous speaker and have taken three of the larger banks as examples. I hope it will not be taken that we in this corner have any particular hatred or malice against the

banks we are mentioning, because this is not so. It is impossible to deal with all of them and we take these three as an example of what all banks are doing.

The Bank of Montreal, the Bank of Commerce and the Royal Bank with their allied trust companies, the Royal Trust, the National Trust and the Montreal Trust have 832 directorships in most of the principal business concerns in Canada. One hundred and eighty-three companies have their presidents or chairmen of the board acting as directors on the board of one of the big three. All the banks and trust companies are interlocked to a greater or lesser degree, although the Bank of Montreal appears to show a somewhat greater inclination to maintain its own individuality. The Bank of Montreal has one director on the board of the Montreal Trust Company, which is practically the Royal Bank. The Royal Bank has eleven directors on the board of the Montreal Trust Company, three in the National Trust Company, which is controlled by the Canadian Bank of Commerce, and two in the Eastern Trust Company, under the control of the Bank of Nova Scotia. The Bank of Commerce has ten directors in the National Trust and two in the Toronto General Trusts. This latter trust company, with assets of \$226,000,000 seems to afford a meeting place for the Ontario system, for it has on its board two directors of the Bank of Commerce, two of the Bank of Nova Scotia, two of the Bank of Toronto, three of the Dominion Bank and two of the Imperial Bank. The Bank of Nova Scotia has three directors in the National Trust Company, three in the Toronto General Trusts and three in the Eastern Trust. The National Trust Company has nine Bank of Commerce directors, two Bank of Nova Scotia and three Royal Bank. None of the banks are represented directly on their boards by directors of other banks but the relationship through their trust companies is close and effective. Through the Montreal Trust, the National Trust, the Eastern Trust and the Toronto General Trusts, the Royal Bank, the Bank of Commerce, the Bank of Nova Scotia, the Imperial Bank, the Bank of Toronto and the Dominion Bank are closely interconnected. There is one exception; with a lone director on the board of the Montreal Trust, the Bank of Montreal stands practically alone.

The following information which was obtained from the Directory of Directors for 1933 and the Annual Financial Review for 1932 has to do with the Bank of Montreal and the Royal Trust Company. These two