The bill provides for private ownership; it does not, however, provide against political influence, because the government appoints the first officers of the bank, but it appoints those it cannot control after the appointment is made. The minister tells me that the word of that appointee becomes final when there is a clash in policy between the government and the bank directors he has appointed. Therefore the very worst kind of political influence still remains in the legislation. The government retains just enough influence to get the blame, but has not enough power to determine policy, and it may find itself in a position where there will be a strong man following a policy detrimental to the government's interests, and it will not be able to stop him because he has been elected in the manner provided by this legislation which gives a private company power to control him. Such a situation is not only possible, but, I should say, very likely to happen; for does anyone hold that the interests of a private bank always run parallel to the national interest?

Instead of the interests of private banks running parallel to the interests of the state, they more often run across or contrary to public interests. Let me take the Bank of England as an example. We have in that institution one of the oldest and most efficient private banks and central banks in the world. Let me, as hastily as I can in order to get my thoughts expressed before my time is up, refer first of all to what contemporary statesmen of Great Britain think of the central bank of that country. First I refer to the words of the Right Hon. Ramsay MacDonald, the present Prime Minister, They were quoted this afternoon, and I must not stop to quote them again, much as I should like to do so; but hon. members who heard the hon. member for Macleod (Mr. Coote), will recall how he quoted Mr. Ramsay MacDonald to the effect that the banking institutions of any country had full control over any government. Let me turn next to the Right Hon. David Lloyd George who, as usual, is fearless and outspoken on the matter of the Bank of England. Speaking in the British House of Commons, on February 12, 1930, he said:

> I want to urge the Chancellor again not to be too frightened of the city of London. Since the war the city of London has been invariably wrong in advising the government. . . . Rapid deflation was a mistake, and it had an injurious effect. . . . The precipitate establishment of the gold standard was another thing which undoubtedly dealt a staggering blow at our export trade. They have been wrong every time. . . . Now there is no doubt at all that they are using the whole of their tremendous influence for the purpose of restricting the raising of money for national development. Take the cause of depression throughout the world at the present moment. There is not a man who has examined it who will not tell you that a very large part of it is due to the mishandling of monetary questions on the advice of the money barons.
>
> These men who have mishandled this monetary question not merely advise what to do, but establish a veto upon every proposal which is made for national development. We got rid of the veto of the House of Lords. Take care that you do not establish a more sordid one.
>
> If you go to the city of London, what is their only remedy for depression? Their only remedy is by placing artificial barriers to prevent plenty from reaching want.

The same right hon. gentleman, in an interview in Forward on January 7, 1931, said:

> The city is the stronghold of reaction. All the time when I was chancellor of the Exchequer up to 1914, I had to fight the city. And then in 1914 the city had to come crawling to the government for assistance.
>
> Talk about public control! It was that that saved the city in 1914.
>
> No government will ever get a big program through unless it is prepared to face up to the reactionary money interests in the city of London.

Then Right Hon. Philip Snowden, speaking on the Gold Standard Bill on May 4, 1925, said:

> Since the report of the Cunliffe committee, the government and the Bank of England have begun a policy of very rapid deflation, in the course of which, few people will dispute, there have been very serious consequences. It has ruined thousands of businesses, and it has greatly enriched those who were the holders of fixed interest bearing securities. It is in a large measure—certainly I would not be so foolish as to say wholly—responsible for the grave trade depression and the widespread unemployment that we have had during the last three or four years. We fear that this precipitate return to the gold standard may have similar consequences though not of course to the same extent.

The same right hon. gentleman, in Labour and the New Social Order, published in 1926, wrote:

> The banking business of Great Britain is rapidly developing into a great monopoly. Private banks have disappeared, and five great banks now control the great bulk of the business of the country. Since July, 1918, the big five have absorbed twenty-one joint stock and private banks. This money trust, together with the Bank of England, which is at the same time a private concern and a semi-public institution, fixed the bank rate and the rate of discount for treasury bills which, in their turn, determined the price of money to traders and other borrowers. The nationalization of the banking system would effect economies of administration; it would give greater security to depositors; it would secure for the state the