

ernment to appoint a certain number of directors, a number sufficient to give the government control of the central bank, directors who would not own shares but would represent the government, and who would sit along with the directors who were the nominees of those who owned the shares. Short of complete government ownership and control, could there be anything in the interests of all classes generally which obviously would serve the common interest better than that? One group of directors would be watching the actions of the bank from the point of view of investors, and the other group would be watching the actions of the bank from the point of view of the interests of the public at large; and these two in conference from day to day would undoubtedly be able to prevent many extreme actions being taken which might be contrary to the public interest, and they would also be able to bring about that unity and continuity in the affairs of the bank which the Prime Minister regards as so all-important. It is because we feel that even yet there might be a chance of saving the situation in some such way that the hon. member for Vancouver Centre has brought forward the amendment he has.

When the bill was in committee I spoke of the dangers which I feared might arise in the way of conflict between the government and the bank. In a word I indicated that they might develop to the point where in the public mind they would become a conflict between those in authority, as the government of the day, and the money power in the land; and that if that conflict ever arose we should have the most serious situation with which it is possible for a country to be faced. I think that possibility ought to be avoided at every cost. I do not think we ought to pass in this house a measure which is liable some day to create a conflict of that sort. The Prime Minister the other evening stated his position in these words. They appear in Hansard of June 21, at page 4195:

What we wish to secure is a policy based upon the economic conditions of the country, not a policy of the bank based upon policies of a government. That is what the right hon. gentleman desires.

Now all parties wish to have a policy based upon the economic conditions of the country. The Prime Minister was not stating the matter quite fairly, because we know all parties wish to have a policy based on the economic conditions of the country. What the Prime Minister wants, what he meant, is a policy of the bank based upon the will of the financial

[Mr. Mackenzie King.]

interests, policies of the money power, and he made that quite clear when he said in the earlier part of the same statement:

If the government were in complete control of the bank it would mean that if you had one government succeeded by another the bank would naturally change its policy, assuming that the policy was as the right hon. gentleman suggested. Then you would have governments controlling policies without continuity.

In other words, the Prime Minister does not wish that the government should in any way control the policy of the bank, but rather that the policy of the bank should be controlled in accordance with the views of the bank itself, the bank representing financial interests. In support of his position the Prime Minister raises this bogey of political pressure. Now it is necessary to keep in mind the distinction between what is meant by political pressure in the sense of a government being subject to pressure from its own followers and supporters in the country and what is meant by obeying the will of the people with respect to large national policies as expressed by the people themselves in the manner in which the constitution enables them to express their views. As regards there being danger of political pressure on a Prime Minister and government with respect to matters relating to a central bank, I question very much whether it need be greatly feared. There are undoubtedly considerations of sectional, racial and religious interests that arise in all matters of government, but they are not the determining factors. What any leader of an administration seeks to do as far as he can, what any government seeks to do as far as it can, is to harmonize different, and often conflicting, interests in the country; but always I venture to say, in any important appointment, the first consideration will be the fitness of the man for the position and the rightness of the position itself. When these things can be equally effected by adding to them further considerations, of what may help to keep the country united, be they economic or racial or religious, then I think it is altogether desirable that these other considerations should be taken account of. But it is absurd to talk about these considerations as controlling the situation with respect to any matters of government of a major character. On the other hand, questions of the policies which are to control in matters of government are all-important. Every parliament should be careful not to enact any measure which will create an institution that at any time may be indifferent to, to say nothing of being defiant of, the policies of a government as expressed by the people