

Private Bills

would have been advisable and essential for the Senate to pass those three applications for the incorporation of banks and then to send them to the House of Commons, before they were referred to the committee on banking and commerce after second reading.

I am really amazed to see that the business men going under the name of The Laurentide Bank of Canada are dead set on presenting a bill to get a bank charter, while they are perfectly aware that a bill to amend the Bank Act and banking is already on the order paper. In fact, the right hon. Prime Minister (Mr. Pearson) said something about it barely two days ago. Since that resolution must be considered prior to July 1, I fail to see what would be the use of accepting or granting new chartered banks before we get the result of the Bank Act revision.

● (5:20 p.m.)

These people who are asking for a bank charter seem in a great hurry. It looks as if there is something in it for them. That is why we do not want new chartered banks approved until the Bank Act has been examined by the House of Commons.

On several occasions over the last few years, we denounced the excessive discretionary powers granted to the present chartered banks. These powers are too wide because they give some individuals absolute control over the whole country's economy.

Chartered banks are the very basis of our country's monetary system and, consequently, of its economic life.

A country's monetary system is, with regard to its economy, the wheel, accelerator and brakes of an automobile, that is the most important parts of the car.

In fact with the powers they hold at the present time, the chartered banks control all the economic activity of our nation. They can speed it up, as it happens in certain years, or slow it down, as they please.

We have had an example of this during the depression years from 1929 to 1939. It was not that the people were not able to work or produce, but the chartered banks had restricted credit in order to control in an even more frightening way, the economic blood stream of the nation, i.e. money.

The chartered banks hold in their all-powerful hands the economic life or the economic life blood of individuals, companies and in fact, of the whole nation. Our economic life will have its ups and downs depending on the way they increase or tighten credit.

It is to remove or reduce the influence of chartered banks at the present time and show the deadly danger of leaving in the hands of some individuals such a dangerous weapon which can increase or decrease credit, that is the reason I object to the setting up of new chartered banks.

That is why, Mr. Speaker, I am pleased to second the amendment moved by the hon. member for Charlevoix (Mr. Bélanger), namely: that we should not accept, now or at any time, these new chartered banks; that the measure be hoisted six months and that we wait for the outcome of debates in the House of Commons concerning the Bank Act, which should come up in a few weeks, in view of the announcement made yesterday or the day before, by the Prime Minister himself.

That is why we should agree to the amendment moved by the hon. member for Charlevoix.

Mr. Gérard Perron (Beauce): Mr. Speaker, so that it will not be said that the war ended for lack of warriors, I take the liberty of coming back to Bill No. C-95, an application by a group of persons who have the privilege, like others throughout the country, of operating a banking business.

I would not deny them that right, provided we are properly enlightened on their aims and on the possible repercussions of granting such a right to that group of financiers who, from certain information we have, already possess considerable power in the country's financial or monetary affairs.

Among the applicants we see the names of Mr. Peter Paul Saunders, executive, Mr. Elliott Saxton, executive, Mr. William Crossley Mainwaring, executive. All those men are also managers, directors or shareholders of a finance company known as Laurentide Finance. Most of them gave evidence before the Senate committee.

According to No. 1 of the report of proceedings, Mr. Peter Saunders testified on Wednesday, May 27, 1964, that the promoters of this bank are well-intentioned and have been planning for several years to own a bank charter which would surely enable them to broaden their monetary activities, within the country and, I would even say, abroad. That explains what they intend to do with respect to the distribution of the capital stock of that bank. Page 9 of the report of the standing committee, reads as follows:

—it is now intended that the bank will be financed by a portion of the capital to be issued