

Bank Act

Mr. Thompson: Mr. Chairman, the proposal which the minister has placed before us concerns the renewal of the necessary authority for our banks to carry on their business for the next year. It is our intention for several reasons to support this recommendation by the government. First of all, as has already been mentioned, the Porter commission has dealt in much detail with banking and finance, and it is only fair that we should have the fullest opportunity to study the report of this commission. It is only fair, likewise, that there should be an opportunity for extended debate on those parts of the report the government intends to implement. Obviously, this cannot be done in a matter of weeks, and that is all the time that is left before the authority of the banks runs out.

However, Mr. Chairman, this whole question of the banks and the basis upon which our banks operate, is not just as simple as the few words which we have before us in this resolution tonight would lead one to believe. We have many economic problems to face in Canada. In fact, I think that the greatest problem we have to face in this house relates to the place of banking, so far as the economy is concerned. It is one of the most important aspects of the work of this house, and at this particular time, as this ten-year period in which the bank charters are valid comes to an end. I am convinced that the whole problem within our economy is closely related to this question of banking.

I will just mention three points that I think are fundamental in this regard, because it is our intention to carry this debate to greater lengths at the second reading stage. Our first problem, I think, is this problem of a continually mounting debt. This applies not only to personal debt but also to corporation and governmental debt as well. It comes back to this basic issue, that we operate under a debt system. In fact, the only money that we use today, apart from the change which might happen to be in our pockets, is money which comes into existence because someone incurred a debt. This is closely related to the functions of banks as they carry on the business of banking as we understand it today. We, in the Social Credit party, are not opposed to private banks in any way. We believe they perform a very important function in dealing with money. It is far more efficient, and certainly desirable, that private enterprise continue to carry on this very important function as it relates to distribution. On the other hand, we believe that there are very serious flaws in our system today that need to be adjusted and which relate to this whole question of debt, to the structure of our economy as it is related to debt.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

The second problem we have in Canada that is tied very closely to this question of banking is the matter of international exchange and our economic relations with the outside world. This relates to foreign ownership in, and control of, our industry as well as the associated problems of our trade balance not only with the United States but with other countries. This question, therefore, enters into the whole picture of banking and into this whole picture of money as well. Unless this problem is solved, Canada is going to be placed in a most serious situation. Negotiations, such as those conducted at the conference that took place at Geneva during the past few weeks, are never going to deal with the matter in an effective way.

The third problem in our economy which relates definitely to this question of banking is based on this whole problem of automation and which is associated with the question of unemployment. These questions are now recognized as the most serious challenge to our present economic system and also to our banking system.

So, Mr. Chairman, not to delay the debate at this resolution stage I would say it is our intention to deal with these problems as they relate to the question of banking on the second reading of the bill, not because we want to delay this matter of renewing for one year, on a temporary basis, the licence under which the banks operate but because we regard it as very basic to these three problems I have outlined. Thus we are very happy to let the resolution pass on this understanding, again emphasizing the very great importance that the banking system plays in our general economy.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would be inclined to succumb to the temptation of preventing the passing of any resolution or bill that would allow the study of or amendments to the Bank Act to be extended or delayed for a year so that, as indicated by the Minister of Finance (Mr. Gordon), the chartered bank operations or banking operations would be stopped as of July 1. I am strongly tempted to do that, because I anticipated that would happen then.

If the Minister of Finance would stop and think about it, he might come to the conclusion that it would not be such a bad thing to suspend all banking operations after July 1, not necessarily for an undetermined or indefinite period, but for a specified length of time.

Suppose that, this evening, the house votes against this resolution or still later votes against the bill, what would happen?