

*Bank Act*

It is the financiers of those institutions, the masters of credit, who thus dominate our governments, who threaten them with a big stick and who appoint their own men, like Kierans, for instance, to key positions. Financiers control the provinces, the municipalities, the towns, the school boards, the universities and every institution.

Those same financiers hold a power of life and death over all institutions; they control everything in Canada.

Those are the real masters, and not the people who are working, who are building up this country, who are manufacturing the products, the goods that are needed. The workers, the builders, the producers are the "have nots", they are controlled, and in debt. The "haves", those who hold a controlling hand, who force people to go into debt are those who are controlling credit, manufacturing credit so as to produce debts. It is an institution of that kind that this resolution has in mind. We need not go to Russia, Mr. Chairman, to see a dictatorship, we have one here in Canada, in this so-called democratic country. It is the financiers' dictatorship that controls all human activities. The dictatorship that has a power of life and death over each one of us is the financial dictatorship, the one which flourishes in a democracy.

• (5:40 p.m.)

There are some who find that normal, who consider that such a system is sound and perfectly normal.

I say that those who think so are like people who stick their nose in manure and do not smell anything or even think it smells good. The fruits of the financial system are rotten, and yet it is proclaimed that the tree which bears such fruits should be preserved and protected by legislation.

The Creditistes have realized that it is the financial system, this debt building system that has got to be changed if we are to get rid of our collective and individual debts. That is why they suggest that financial credit should reflect real credit and the products which do or could exist, considering the productive capacity and the needs to be met.

Mr. Chairman, the resolution does not meet the requirements or the needs of the nation; what Canadians want and demand from their institutions is social service.

It is between the borrower and the lending banker that the use of the required money is discussed; that is where the verdict on proposed production is reached and where orders to speed up or slow down production

originate. The banker's books are the only thing that counts, the needs of the consumers do not count in the least.

Mr. Chairman, why must the sovereign Canadian government, which has sole jurisdiction over money in this country, borrow at interest from chartered banks, and then levy taxes on the people to pay this interest?

Chartered banks are creatures of the Canadian parliament; they literally owe their existence to parliament and every ten years they have to apply to parliament for renewal of their charter without which they would cease to exist. All their rights and privileges have been obtained from parliament, even the exclusive right of creating and issuing money. Furthermore, when the government, a sovereign body representing the whole nation, needs money over and above taxes collected or savings borrowed from the people, it has to stoop before its own creatures, the chartered banks, and beg them for a loan or credit which it has the exclusive right to issue.

Can you imagine that? Did you ever hear of such nonsense? Yet, we recall that to finance the war, chartered banks made money readily available, but in peacetime if you want money for food, clothing and shelter, you cannot find any, unless the government guarantees the loans made to provinces or municipalities through such agencies as the Central Mortgage and Housing Corporation and the Industrial Development Bank.

Therefore, Mr. Chairman, why should all the money put into circulation in the country take the form of a debt bearing interest, when it is a recognized fact that the government is empowered to use other means to ensure that there is always enough money in circulation in the country to meet the needs?

Mr. Chairman, under the 1954 amendments to the Bank Act, the Bank of Canada can require the chartered banks to increase or decrease their cash reserve which at the present time represents from 8 to 12 per cent of all their liabilities.

The Bank Act and the Bank of Canada Act should both be amended in order to make it unlawful for chartered banks to use the credit advanced by the Bank of Canada to the Canadian government as a cash reserve to issue new credit. The same objective could also be achieved by requiring the chartered banks to progressively increase their cash reserve, even up to 100 per cent of the amount of their deposits if necessary.

At the same time, the Bank of Canada should be authorized to advance chartered