

*Bank Act*

**Mr. Mackasey:** On the contrary, I respect them for having the courage of their convictions.

**Mr. Nasserden:** I must confess I cannot claim the distinction of being an Irishman either by birth or by blood, but I often suspect I have some of their more notorious characteristics when I look at some of the speeches I have made in the House of Commons from time to time.

I cannot but feel that all hon. members who are here are imbued with at least one characteristic of the Irish, namely generosity, and I wish to thank them very much for displaying this quality. I think the hon. member for Verdun will agree that the little people must have been working on behalf of both of us tonight.

It is fitting that in the centennial year consideration of the Bank Act should be one of the major concerns of the Canadian parliament. This does not, of course, excuse the government for its indecision and for delays which have contributed to the general tightening of money and the pressure on interest rates, since the government announced that the ceiling would be one of the primary factors to be considered.

● (10:20 p.m.)

In trying to assess the effectiveness of the legislation before us it would be well that we consider the history of Canadian banking. I feel that this legislation covers not only the Bank Act but the whole future of Canada. Our aim should be to have Canada's financial resources serve the national purpose, and in order to do that we must establish a purpose which is commensurate with the potential of the nation now and in the future.

We must not forget that our country depends now, and will continue to depend in the future, on investment not only from sources within the country but from other sources wherever we may secure them, provided of course that outside investment is prepared to acquire the qualities of good Canadian citizenship and abide by Canadian aspirations. For my part, the aspiration is to secure and develop a strong, independent, free society which will be able to exert itself in the search for peace at the international level. That will not be one of the easiest objectives to attain, but I maintain it is the only worth-while objective for this nation.

I would go further, sir, and say that unless we do this it might well result in our nation

becoming the slave of the United States purpose. If that happens it will not be due to what the United States does, but due to the things we ourselves do, or the things we fail to do.

Looking at the success which our banking institutions have had, we can see that that success is due to the supervision and restraints that have been placed upon them in order to meet the peculiar problems of a nation in circumstances such as those which obtain in Canada.

The problems that have arisen in connection with our financial institutions during the past few months have not come from organizations that are classed as banks; they have come from those that are classed as near banks, which have been left largely without supervision and without the restraints and regulations that have ensured the success of our regular banking institutions.

Banks in Canada have a worth-while tradition, and I cannot agree with those who have made disparaging remarks about the role banks have played in the development of the nation and in the development of individual enterprises. Our banks have one of the most romantic and heartwarming stories to be found among those which form part and parcel of the Canadian heritage. The fact that Canadian banking has not been an unprofitable enterprise does not mean that there have not been occasions when they came up against obstacles. I recall the depression years, and also the years when government itself was competing for deposits that normally would be placed in banking institutions.

Generally speaking, the concept has been that the banks have provided an instrument for short-term and intermediate-term credit. To supplement that we have the trust companies which provide a service different in character, on a longer term basis, mainly for those people who want to place their money on deposit on long term, and know that it is going to be secure. I believe the Bank Act, as it is today, has confused the role that each of these institutions might play in our economic life. The primary role the banks should play is to provide short and intermediate term loans. The trust companies have a role to play in the long term field. They can give stability and security to those individuals who want to put their money in long term investments.

As one who believes in the development of things that are rewarding to those willing to develop this nation, I cannot say that deposits in banks should receive the same interest as