

Bank Act

controls the economic and social life of the nation; as well as the life of an ethnic group in the country, and even family life to such an extent that most of the time, the main victims of this exploitation are compelled to have their purses emptied even more rapidly in resorting again to finance companies, which are but the emanation and the end result of this banking system that has been praised.

We are coming now to the interest item, of which the Minister of Finance is proud. Here is the per capita progression. In 1868, the earnings per capita, that is the income, were \$3.95, in 1911, \$9.81 and in 1952, \$284.17. The debts have increased at the same rate as the cost of living. Such is the system about which we hear so much praise.

Another point that I should like to bring to the attention of the house at this stage has always been the object of great praise also. This afternoon, I heard members on the government side applaud one of their own who spoke right after the hon. member for Lapointe. The speaker in question stated that it behove the federal government to reassert its authority in the field of banking.

Cheers went up from the Liberal benches but, a few minutes later, the same member mentioned that the exchange rate in New York had greater effect on our means of exchange than the Bank of Canada itself. It is sought to strengthen Canada's banking system through a revision of the bank act, while government circles already recognize that the rate of exchange in New York has greater influence over the control and stability of the Canadian dollar than the Bank of Canada.

Is that not making fools of the Canadian people? Speaking precisely of the reasserting of federal authority in the field of banking, the issue under consideration, the hon. member for Edmonton West mentioned the Quebec savings banks and advocated closer control over Alberta's treasury house and Quebec's caisses populaires, in accordance with this need for reaffirming the federal government's policy.

I am afraid that faced with this drive for decentralization under which economic regionalism is getting stronger, the provincial governments, conscious of their responsibilities under the Canadian constitution, will want to take themselves the necessary means to remedy a situation which has been lasting for too long, the control of the federal government to which we had to surrender our rights little by little. We are also conscious

[Mr. Perron.]

of the fact that Canada's banking system has impoverished families in years of plenty and that it works well only in periods of world slaughter or on the eve of an economic depression which might be worse than that we experienced from 1929 to 1939.

This devaluation or lowering to 7 instead of 8 per cent of the amount of the liquid reserve is nothing but a way to enable banks to keep until 1967, for private borrowers, this state of fictitious prosperity in which we have been living for some years, and then go back to the 1962 situation when, under pressure from our southern neighbors, we had to devalue the Canadian dollar. It is only to maintain this situation until 1967 in order to continue this fictitious prosperity, and I say fictitious because I maintain that, with the present banking system in Canada, we cannot do anything but create debts, that is all.

This act, once passed, will allow banks to take over production means, to control the economic and political life of this country through this control of the banking system. We have made suggestions and many proposals; we have suggested that the government use the Bank of Canada and create a national credit office which would monetize part of the national credit to enable consumers to buy the production. Let us spend fewer billions for Sputniks and a little more for the Canadian consumers.

This office could even direct production toward consumption. It is this new credit, created through the national credit office that could correct this situation and should enable people to profit by the wealth to the extent of the production capacity made available by science and progress.

It is no use re-asserting the federal control in the banking field such as that of the Bank of Canada, if we prevent provincial institutions from obtaining controls allowing them to develop so that—

The Chairman: I regret I have to interrupt the hon. member, but his time has expired.

[Text]

Mr. Green: Mr. Chairman, I would like to take this opportunity to say a few words in respect of this resolution. I am particularly pleased to do so, not only because of the fact that I had the honour of being a member of the Banking and Commerce Committee during the last session, but particularly in respect of the work we have done to date on the Joint