

Bank Act

fact, if Canadian citizens are allowed to do so, why should a province or a group of Canadian citizens incorporated for the establishment of a chartered bank not be entitled to the same privilege? Would it not be even more advantageous to allow a group of Canadians to form an even greater corporation, that is a province? That way, all the inhabitants of a province could benefit from those advantages.

Mr. Chairman, I feel that the minister's contention that such a step might restrict federal authority in the field of banking is a very weak argument and I hope that not only British Columbia but also Quebec—which has already announced its intentions in that respect—will, with the help of the other provinces, put up a good fight against the decision taken by the Minister of Finance.

Mr. Chairman, when we see individuals or chartered banks get rich, these days, at a fantastic rate because they control and create scrip money in this country, we would like to see the provinces, Quebec, for instance, or British Columbia, enjoy the same privileges, so that they could promote the development of a whole province, not for the profit of a few individuals, but for that of all the citizens of a province.

In fact, I suggest it is far more important for the provinces to enjoy these advantages for the whole of their population, than for individuals to do so for their own profit, often to the prejudice of a great many of their fellow citizens.

Mr. Chairman, of course we do not know yet the provisions of the bill which will follow the passage of this resolution, but there are some improvements to the Bank Act which we would like to see achieved.

First of all, we would like the Bank of Canada to take over, to the extent of 100 per cent, the control of the creation of the outstanding money supply, the control of all scrip money, of all bank money, so that the Canadian government would control, to the extent of 100 per cent, the outstanding money supply.

Another change we would suggest to the Bank Act is that, taking into account the rate of its circulation, the volume of the money supply should always be equal to the country's production, with the consequence that whatever may be the volume of production, there will always be the purchasing power needed to buy it. In fact, there will always be as much purchasing power in circulation as there are goods on the market,

[Mr. Grégoire.]

and this will allow the Canadian citizens to avoid having to buy under finance plans.

When the Canadian people have the required purchasing power to buy the whole of the production offered on the market, they will no longer have to buy under finance plans or to borrow from finance companies at high interest rates, as happens today.

Another change we would like to see made in the revision of the Bank Act—

• (4:30 p.m.)

[Text]

The Deputy Chairman: Order. I must advise the hon. Member that under Provisional Standing Order 61-A, the time allotted to him has expired.

Mr. Gelber: "Neither a borrower nor a lender be" was the advice given to his son, Laertes, about to depart for England, by Polonius, adviser to Kings of Denmark. This advice would be the death of the banking system and make us all cash customers at much higher prices, and a considerably lower standard of living. The great bounties of this continent were originally developed with the assistance of capital borrowed abroad. To this we added our own savings. The joint investment, plus much hard labour, yielded from our rich resources a great bounty. The ability of Canadians to borrow both at home and abroad has made possible this remarkable continental economic society, which has achieved great things.

We are now in the midst of a post-war expansion of longer duration than any of the earlier periods of expansion. Our growth has varied with the rate of investment, and we are projecting in the year 1965 the highest investment in the history of Canada. The all-time high in 1964 of \$10.827 billion will be outpaced by 14 per cent to a total of \$12.305 billion. Business capital, excluding housing, will total \$7.253 billion, while housing and social capital will reach \$5.052 billion, according to estimates which have been tabled in this House by the Minister of Trade and Commerce in the *Annual Survey of Public and Private Investment Outlook in 1965*.

The largest increase in social capital will be for universities, where 60 per cent more will be spent than in the previous year. Hospitals and schools also account for a much larger sum, while all levels of government are expected to increase their expenditures by 19 per cent. The greatest of these will be for highway construction by provincial governments. There is an anticipated increase in business investment of 12 per cent. Capital