

Bank Act

sure, from the attitude of bankers in private conversations, that this is their intention. Indeed, some of the academic professional witnesses we had before the committee suggested somewhat that sort of development. One witness suggested a sort of interim period in which we would have two types of banking licence, or whatever you want to call it, which would at the end of ten years be replaced by an over-all licence under federal legislation which would bring virtually all these institutions under the federal umbrella. Then all these institutions would be performing the same function.

However, Mr. Chairman, if, as I am afraid, the minister and his colleagues are too sunk in their doctrinaire vastness, if their firm religious beliefs which equate private enterprise with virtue and public enterprise with sin are so strong they cannot move from this position, then I think inadequate as it may be, we must insist on maintaining the effective 7½ per cent which would have been the result of the original proposal of the minister. It would be a temporary dike.

Mr. Sharp: Mr. Chairman, I could not help rising to ask the hon. gentleman whether he does not agree, in view of the record of this government in the field of public enterprise, that we are full of sin?

Mr. Lewis: You are, but that is not the reason.

Mr. Cameron (Nanaimo-Cowichan-The Islands): As my colleague suggests, only when they were seduced. At any rate, Mr. Minister, I do not set myself up as an infallible judge of sin or virtue. I leave that to those with religious convictions.

As I say, the 7½ per cent ceiling would provide a temporary dike of some sort, although it would have holes punched in it very rapidly. I doubt if the minister has enough little Dutch boys at his disposal to poke fingers in all the holes. To those who fear, I think with some justification, that when the banks are let loose from their ceiling they may behave in something less than the most desirable social manner. I would very seriously commend this proposal of mine that we should establish a countervailing power in the centre of our financial institutions in the form of a government owned complex.

Now, Mr. Chairman, this brings me to one more item which I had to leave, as it were, blank, realizing that I was going to have to play it by ear. That item is the vexed question of the Mercantile Bank. I had rather

hoped that the minister would make some reference to it when he made his statement, if only to allay various rumours we have had about trouble and strife along the cabinet Tiber. No one seems to know exactly what the situation is.

• (5:30 p.m.)

Mr. Sharp: Don't believe all you hear.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I have to believe sometimes what a cabinet minister tells me; and when a cabinet minister tells me that he is opposed to what the committee did I have to ask myself questions. I have to ask myself how much weight this particular cabinet minister pulls. I do not know the answer to that question and I am wondering what it is.

I do know that this particular cabinet minister was very much opposed to the amendment that was moved by the hon. member for Verdun, and seconded by myself with great relish because I realized that it had several consequences; and I am a politician as well as a student of the monetary system. I should like to know very much what is the attitude of the government and those within the Liberal party who opposed this extension of five years in order to allow the Mercantile Bank to place itself in the position where it could conform with the demands of the Canadian government and the Canadian parliament. I think it is important that we know what is their position.

To my mind, Mr. Chairman, there were two courses open to us. One was the eminently practical and sensible course that I proposed to the minister and which he rejected out of hand, as I say on purely doctrinaire grounds. The other course was to amend the bill as originally presented by the government, so that the strait-jacket in which we placed this institution could be expanded or broken in order that it could place itself in the position where it could divest itself of the necessary 75 per cent of its shares.

What shocked me, Mr. Chairman, was that originally and up until quite recently some members of the government appeared to be content with the irresponsible position of leaving this bank as a festering sore in our relationship with the United States, without taking any steps to solve the problem. That is a very serious thing for the people of Canada to contemplate—that we have in the ranks of the government people who would be prepared to leave this problem unsolved, a source of continual friction with our United

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