

*Bank of Canada Act*

wonder whether the hon. member for Medicine Hat intends to proceed with his own remarks or whether he would have any objection if other hon. members were to enter the debate.

**Mr. Olson:** I simply want to ask the minister whether it would be possible to have a copy of the report which was made by the O.E.C.D. to the Canadian government.

**Mr. Sharp:** I will be very happy to provide it.

[Translation]

**Mr. Mongrain:** Mr. Chairman, with your permission, I should like to rise on a question of privilege.

I just realized that I misled the committee of the whole earlier when I quoted figures in Belgian francs and converted them in Canadian currency. Since I do not wish to mislead the committee of the whole, I want to make a correction. I said that one should divide Belgian francs by 5 in order to convert the amount in French francs. My colleague from Lafontaine (Mr. Lachance) who is more of an expert than I am in financial matters, tells me that one should divide by 50. Of course, I am making this correction quite readily, so as not to mislead the committee of the whole.

If you allow me, Mr. Chairman, to pursue this question of privilege, I must confess that my natural verbosity played a trick on me. I had one more sentence to say and I wanted to ask the minister—

[English]

I wanted to ask the minister to comment on his attitude toward providing in this banking legislation or in parallel legislation something which would take care of the financial problems of the municipalities.

**Mr. Sharp:** I recognize that some of the municipalities have difficulty in raising money for their various capital projects. A few years ago this parliament passed financial legislation which was of some help in this connection, but it was intended as a means of promoting employment. It served its purpose and has now expired. I would think it would be very difficult for the federal government to establish an institution for the specific purpose of financing the subsidiary bodies of provinces.

When I was listening to the hon. member giving his very interesting speech about the Belgian experience it occurred to me that

[The Acting Chairman (Mr. Richard).]

it would be quite possible for any province to establish such an institution for the benefit of its own municipalities, though I did wonder who would be in charge of the queue when the municipalities lined up to take advantage of the facilities. I doubt that it would be in accord with the constitutional tradition of this country for the federal government to establish a bank which dealt with municipalities. An institution of that kind would certainly not be able to function without the permission of the provinces and this being so I think it would be better for the provinces to act directly. Perhaps some day we may contemplate an organization for this purpose in conjunction with the provinces, but surely not an institution which dealt directly with municipalities.

**Mr. Mongrain:** Does the minister not think this might well be the subject of discussion with the provinces when meetings are held to discuss financial matters? Such a system could not operate without the help of the federal government.

**Mr. Sharp:** From time to time the provinces do raise questions of this kind. I do not remember the matter being raised at the last meetings I attended and this, I believe, is evidence that the provinces doubt very much that the federal government should intervene in the manner suggested.

**Mr. Olson:** Was the municipal development and loan fund not handled in exactly the same way? It had to be channeled through the provinces, and some of them set up municipal finance corporations which in fact distributed money to various municipalities on application.

• (5:00 p.m.)

**Mr. Sharp:** Mr. Chairman, let me just add this. Those were not banks but sources of funds voted by this parliament to finance certain municipal works. This parliament can at any time follow that course. I thought my friend the hon. member for Trois-Rivières was referring to a new kind of institution and it was that institution about which I was casting some doubts.

[Translation]

**Mr. Grégoire:** Mr. Chairman, when the house rose last night I was just putting a question to the Minister of Finance and Receiver General (Mr. Sharp). I was asking him whether he would object to having the Bank of Canada instead of the chartered banks