

Co-operative Credit Associations Act

what the guidelines on the proposed amendments to the Bank Act will be. But we should also pass legislation to monitor our banking institutions. If no corporation, whether provincial, federal or cooperative, is set up let it come under the Canada Deposit Insurance Corporation. I was forgetting the Superintendent of Insurance—he also monitors the activity of the Canada Deposit Insurance Corporation. And we have here all sorts of cooperative societies, trust companies whether they be provincial or federal, or banks, of course; I am told that there were many service volunteers in the institutions which report on their monitoring activity to the Superintendent of Insurance. What I mean by service volunteers is simply this; the provincial administration says: Listen, you are going to participate, and you are going to submit. Their participation is voluntary. At least, the law says it is, but it is still somewhat compulsory.

In conclusion, I should like to say that Canada should modernize its banking system. We need not only the chartered banks, but also the merchant banking institutions in order to set up a financial market in Canada. The Montreal Stock Exchange is not a financial market, and neither is the Toronto Stock Exchange. I am a strong partisan of nationalism; why should Canadians have to go to the financial markets of New York, London, Paris or Frankfurt? Because they do not have the necessary institutions. There are some under a disguised form, but they suffer from a certain handicap. We cannot... My friend, the President of the Treasury Board is whispering "the Canadian Development Corporation", but this is not a banking institution at all. I could tell him many things about that.

Mr. Speaker, I should like to say that I agree with the bill and I hope that it will be passed quickly after the interventions of my colleagues.

Now, I hope that the Minister of Finance who is listening will take this opportunity to revise the legislation governing our financial institutions and to establish new standards so that the Minister of Finance may be responsible for their direction and inspection.

● (1430)

[English]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill No. C-183, with which we are presently dealing, is one which my party supports wholeheartedly, and we would like to see it dealt with expeditiously. As a matter of fact, we would have liked to have had it passed months ago. The credit unions, particularly those in my province, would also have liked that.

The bill provides for a number of things that the credit union movement wants. In terms of larger membership it gives greater opportunities to credit unions. It broadens the investment powers available to them. It allows the Co-operative Credit Society, and its provincial credit union members, to have access to a lender of last resort through the Canadian Insurance Deposit Corporation. All of these things will be of great assistance to the credit union movement and the various co-operative credit societies.

Saskatchewan is perhaps the heartland of the co-operative and credit union movement in Canada, which began

[Mr. Lambert (Edmonton West).]

there in the 1930's during the great depression when many of the chartered banks, because of financial restrictions, had to pull out of the area. The credit union movement went into small towns throughout the province, and today it is an organization that has assets of over \$700 million in Saskatchewan alone, which I think is quite significant for an organization that is really a near bank, or near banking institution.

The philosophy behind the movement is one my party supports wholeheartedly. It grew up pretty well simultaneously with the evolution of my party's ideals and principles. The credit unions are controlled by the members they serve. The credit unions are founded on the principle of one member, one vote. It is a democratic type of organization owned by the people and controlled by the people. It merits the consideration and assistance of members of this House.

The credit union serves its own members. Over the years it has done much to assist regions like rural Saskatchewan. It has been a community organization, helping communities in many ways, providing opportunities for different groups to do things financially that otherwise they would not be able to do if they had to rely on private banking institutions, loan companies, insurance and trust companies.

As I say, this is a good bill. It is one that is certainly welcomed by the Saskatchewan co-operative and credit union movement. It is one that should be enacted immediately. I am not going to talk about all the other financial problems that might be related indirectly to this bill. There are many things members of this party could say in reply to the comments of the hon. member for Edmonton West (Mr. Lambert) with respect to banking and financial institutions and the ways in which they should be controlled to work on behalf of the Canadian people.

I see no reason why the Minister of Finance (Mr. Turner) should not be amending the Bank Act to bring about lower interest rates. I would like him to establish a Crown-owned bank to supplement the chartered banks. Such a bank would provide loans for socially necessary items, for farmers, fishermen and small business, and loans at low interest for house mortgages, housing being one of the basic necessities of life. Through that type of Crown bank, the government could channel all kinds of its revenues, such as its pension funds. The revenues of various provincial and municipal governments could also be channeled through it, thus creating a financial institution that would provide loans for necessary social things at interest rates much lower than the rates charged today. This would be an effective way of controlling the financial and banking system. It would force the financial system to be much more competitive. Indeed, that is what credit unions have done in their own way all across the country for the last 30, 35 or 40 years.

For all these reasons I urge the House to deal expeditiously with this bill, and place it on the statute books to help the credit unions and various co-operatives from coast to coast.

Motion agreed to, bill read the third time and passed.