

*Bank Act**[Translation]*

And before I rose, Mr. Speaker, we heard an hon. member from the Social Credit Party of Canada who referred to many problems we have in our economy and which I too recognize. We in Canada are now facing an inflation crisis and an unemployment crisis. We are also facing a crisis on the matter of national unity, and the right hon. Prime Minister (Mr. Trudeau) of our country has been in power for the last ten years. And before he got to power there was no Parti Québécois, which is the main factor in the national unity crisis. Mr. Speaker, I suggest that one of the reasons there is no national unity in this country lies in the whole economic problem. I have already mentioned unemployment and inflation. What we need in this country is a system of equality, equality between all regions of Canada, equality between all individuals, and the instrument for that equality is the Bank of Canada and the transportation system.

*[English]*

That is why it is so important, when we are debating issues such as that before us today, that we talk about the philosophy of how we wish to see our country developed, the philosophy of how we want our institutions to play their role. It seems to me that our financial institutions are among the main tools one needs in planning a country. I have referred also to transportation, to food, and to agriculture as among just a few very important elements which must be taken into consideration in this direction. Another which comes to mind is energy, and the gas and oil industry.

Another consideration to which we must turn attention when considering this subject is what we should be doing with our banks. I have already mentioned controlling investment, controlling profits, and these things should be within the public hand; they should be controlled more closely by the public of Canada. When the new Bank Act is brought in, one should consider the fact that Canada will have more foreign banks. That will hurt ordinary Canadians.

● (1602)

Hon. members should give some thought to the establishment of a Canadian Crown bank which would be publicly owned. Some of the more traditional free enterprise hon. members, excluding the hon. member for Spadina (Mr. Stolerly), will perhaps become nervous when contemplating this. They should be reminded, if Canada is faced with a situation where there are more foreign owned banks receiving the large Canadian company accounts, that the banks already in existence will have to increase their charges. In order to compensate for that, the possibility of a Crown bank should be considered. It could be established very quickly by channelling federal government accounts to that bank. Many of these accounts are gravy accounts. They are fat and juicy. Banks make a lot of money on those accounts.

When dealing with federal government accounts, one is handling public money. I can see no reason why those accounts cannot be taken away from the private banks and channelled

[Mr. Nystrom.]

into a Crown bank in order for its business to be commenced. In this area I am thinking of various pension plans, the Canada Pension Plan, CMHC, farm programs, the Farm Credit Corporation and so on. The government is involved federally with an immense amount of money. Why not channel that money to a publicly owned bank? A Crown bank could be the vanguard in planning our economic system. It is public money. Why cannot it be used in the best manner to plan on behalf of Canadians?

**Mr. Whittaker:** What about lower interest rates?

**Mr. Nystrom:** This would be a great way to lower the interest rates. I am glad the hon. member for Okanagan Boundary (Mr. Whittaker) mentioned this. If all the government accounts are in a Crown bank, probably the interest rates for the ordinary Canadian will be lowered, as well as the service charges. If Canadian banks are to compete with multinationals and foreigners for the accounts of big companies, it will be necessary to lower their interest rates and service charges. A profit will have to be made somewhere. That profit will be made by charging the hopeless, small Canadians who have no way to fight back because they are facing an oligopoly. If a Crown bank were in existence, then those people would have a choice. They could do their banking in a Crown banking system. Hon. members of the Conservative party should not consider that idea as being too radical. It was that party which brought in many of the Crown corporations which are now in existence, such as the Canadian National Railways.

**Mr. Lambert (Edmonton West):** They are not banks.

**Mr. Nystrom:** No, they are not banks. In the days when the CNR was brought into existence many Conservative members felt it was an outrageous scandal. Also many members of that party felt the establishment of the Canadian Broadcasting Corporation was an outrageous scandal as well.

**Mr. Whiteway:** Right!

**Mr. Nystrom:** I hear an hon. member saying, "right". I hope that is said in front of Conservative party constituents. In the riding of the hon. member for Selkirk (Mr. Whiteway), the CBC is very popular and well liked indeed. For many years in the House, when a transportation policy was being discussed, members of the Conservative party chastised the New Democratic Party for talking about public ownership of parts of the transportation system such as the railways. It was not too many years later that Peter Lougheed of Alberta decided to nationalize one of the airline companies, PWA. That province has a Conservative government. I have not heard too many members of the Conservative party rising to chastise Peter Lougheed for nationalizing that airline.

That is what my party would like to see happen in the Canadian banking system. The establishment of a Crown bank should be considered. If that were done it would be only a matter of a few years before that bank would be one of the largest in the country, and only a matter of a few more years before it would become the largest. I suggest it would provide