

Private Bills

submit until the people have their eyes opened.

We are in favour of chartered banks provided they play their part in the private sector of our country's economy. Chartered banks are private institutions and they should never take the place of the state. Nevertheless, this is exactly what happens when chartered banks create new credit out of thin air.

I realize that it is interesting for a bank such as the Bank of Western Canada, with an authorized capital of \$25 million to be able to multiply it 12½ times and lend to Canadian citizens, school boards, municipalities, provinces and even the federal government up to 12½ times the value of its liquid assets, a value which it does not have but on which, being a favoured bank, it would earn interest.

We submit that if we have to keep for another few years this nonsensical system, this function should at least be entrusted to provincial chartered banks; thus, the provincial governments, more enlightened than the federal government, would allow their people to share in the benefits.

But no, the Minister of Finance (Mr. Gordon) even refuses to the provinces the old right they had to acquire 10 per cent of bank shares. The Minister of Finance must be interested indeed in the bank trust to place such severe restrictions on the provinces.

It would be interesting to know how many members of both old-line parties—and they seem to be united on this matter—will support this motion of the Minister of Finance.

Certainly the day has not yet come when members of parliament will realize that only the Bank of Canada is responsible for creating new credit likely to get the economy moving, as it is its responsibility to keep the accounts of the country, so that Canadian citizens may benefit from Canada's financial surpluses.

If it were not legalized by an act of parliament, I would say we are witnessing, without being able to do anything about it, the greatest fraud ever perpetrated on the people by a small group of financiers who contribute to the election of members of this house. In my opinion, this is the most abominable act of treachery a member could commit against the people.

I realize that, in the case of many members, they just do not know any better, and that is why I urge them to make a thorough study

[Mr. Gauthier.]

of our present banking system, so they can appreciate the pressing need for reform, mainly as regards chartered banks and especially the provision of new credit.

Many imagine that we are the sworn enemies of chartered banks. Nothing is farther from the truth. We feel that chartered banks have a very important part to play in our financial system and we want them to perform their functions to the full, but not to take on those of the Bank of Canada.

Once again, we maintain that the Bank of Canada ought to act in the public field while the chartered banks should limit their activities to the private field.

It is up to the Bank of Canada to control and to issue, not only the legal currency, but also monetary credit. Therefore, we are the greatest protectors of the chartered banks, since we want them to do their own work only and we will not tolerate their intervention in other fields, even if it were for their own good financially.

We agree that chartered banks may lend their depositors and shareholders' money, that they may operate up to 100 per cent of their liquid assets.

I am not asking that chartered banks be subject to the same strict control as credit unions, which only lend 50 per cent of their assets, and this constitutes, besides, discrimination against credit unions which also form an integral part of our financial system.

Why has a small group of millionaires obtained so many favours from the governments at the expense of the working classes who are the shareholders in the credit unions? In my opinion, this is the rankest injustice ever contrived by a monetary system which subdues the people more and more instead of providing them with sensible means of distribution.

This formula was devised by the great minds of international finance in their eagerness to control the people.

Certain rather surprising actions, to say the least, of former and even present ministers show their close connections with financial groups. In view of their concern for financial interests, one wonders whether they were elected to represent the people or the financial interests.

Is it normal for a member of parliament to be a director or even the president of a chartered bank or to have interests in most finance companies? Yet, Mr. Speaker, there is ample proof that such is the case.

Do you think the public is unaware of this little set-up? Thirty or 40 years ago, you