

No. 64/1

Summary of the Report of the Royal Commission on  
Banking and Finance

I. Background of Commission and structure of the Report

The 350,000 word report of the Royal Commission on Banking and Finance was tabled in Parliament today. The 566 page document, containing 86 tables and 47 charts, provides a comprehensive analysis of Canadian financial institutions and markets and of the impact of government financial policy on the economy. It makes a number of wide-ranging recommendations designed to encourage a more creative and competitive banking and financial system, and to enhance the effectiveness of financial policy.

The Commission was appointed by the Progressive Conservative government on October 18th 1961 to report upon the structure and methods of operation of the Canadian financial system and to make recommendations for its improvement, with particular reference to the Bank Act, the Bank of Canada Act, the Quebec Savings Banks Act and other relevant federal legislation (pp. 569-70).

Under the chairmanship of the Honourable Dana Porter, Chief Justice of Ontario and former Provincial Treasurer of that province, the Commission held 69 days of hearings in 11 centres across Canada in 1962 and early 1963 (p. 570). Over 100 briefs and numerous other communications were received (pp. 573-5) and almost 3 million words of evidence were heard by the Commissioners.

The only previous review of Canada's financial machinery was that carried out in 1933 by the Macmillan Commission (the Royal Commission on Banking and Currency). In its 58 day life that body turned out a 75 page report recommending the establishment of the Bank of Canada; the Bank was incorporated the following year.

The Porter Commission report opens with a review of the major changes that have occurred in the financial system since 1933; it then deals with the financial position and needs of individuals, businesses and