

Bank Act

ing of his bill to give a year's delay to the chartered banks. In fact, they are given a year's grace. Instead of closing them down completely, we give them a year's grace. Before granting them a new charter, and after close consideration, we should make some tests that might benefit the Canadian people.

[Text]

Mr. Olson: Mr. Chairman, the resolution before the committee tonight is to grant an extension of one year to the charters of the chartered banks in Canada. This house has been led to believe that the reason for this extension is that the Minister of Finance, together with other members of this house, wants to take into consideration the findings and recommendations of the royal commission on banking and finance before we review and amend the Bank Act. I want to say to the Minister of Finance at this resolution stage that the report of the royal commission on banking and finance has some recommendations and suggestions in it that are completely unacceptable to this party. I want him to know, also, that there are a number of suggestions in the report that are in fact new, that we have not seen before and that we think would be of advantage to the country if adopted.

I think it is therefore valid for members of the committee to centre their remarks around what is contained in this report, because up to this point at least the reason the bank charters are being extended at all is that the Minister of Finance and others wish to have time to give consideration to what is contained in the report. On page 8 of the report the commissioners say this:

A creative financial system is one which does not just passively accommodate the usual—instead, it is one in which active and inventive efforts are constantly being made to meet the sound requirements of lenders and borrowers, regardless of how untried and unusual such needs may be.

They go on to say:

A spirit of vigorous, restless innovation in the financial system—of devising new ways to do new things rather than of justifying why they should never be done at all—can ordinarily best be achieved in conditions under which the participants are not prevented from responding to changed opportunities, in which price and other competition is too intensive to be comfortable, in which there is relative ease of entry for honest men with ideas and imagination, and in which different classes of institution can compete with each other on an equitable and open basis.

That is, I suggest, rather multiple, but at the same time I am happy to see that the commissioners who inquired into the financial and monetary system of Canada have at last come back to parliament and recommended at least, if nothing else, an idea that will allow this country to use the physical limits

[Mr. Grégoire.]

of its resources as the basis of our standard of living and prosperity, rather than using the old, worn out, antiquated financial system that has consistently tried to tell us why we cannot do certain things. So it is refreshing, if nothing else, to see that the commission have come back to parliament and recommended, if I may quote again:

A spirit of vigorous, restless innovation in the financial system—of devising new ways to do new things rather than of justifying why they should never be done at all—

In the view of those in the Social Credit party, Mr. Chairman, this is a new departure that ought to be considered by this parliament and ought to be promoted, particularly when we think of Canada and know that it is a country with perhaps more natural resources per capita than any other country or any other area in the world. I said that while there are some good suggestions in this report I think I should draw to the attention of the Minister of Finance that one or two other suggestions that have been made—and recommendations, I may add—would lead a reader to believe that perhaps the commissioners have not gotten out of the age that has gone by. However, Mr. Chairman, before coming to that point I would point out that the commission also argues that the pattern of government regulation in relation to the banking and monetary system is no longer well suited to the country's needs. I could not agree more.

So that the Minister of Finance will be familiar with those matters that we are going to raise at a later stage when the bill is before us, I would like him to—

The Chairman: Order. I hesitate at this point to interrupt the hon. member for just one moment. The question I have in mind now is whether the hon. member at this point, by going into the details of the royal commission report, is not anticipating future debate. To my mind what we are now considering is simply the extension of the Bank Act for a period of one year, and it seems to me we are going beyond the terms of that act when we study in detail the report to which the hon. member has alluded. I quite agree with him that there is nothing wrong in making some references to this report. However, I do not think it is relevant at this stage in any event, or perhaps not even at a later stage, to go into the details of the report of the royal commission.

Mr. Olson: On the point of order you have raised, Mr. Chairman, I would remind you that this resolution would not need to be before parliament had the government taken its responsibility to review and amend the Bank Act within the mandatory 10 year