

Bank Act

we are going to have a great deal of difficulty in trying to come to some kind of agreement as to how the Bank Act should be amended, after it is reviewed.

[*Translation*]

Mr. Rondeau: Mr. Chairman, with regard to the resolution to amend the Bank Act so as to enable our Canadian banking institutions to carry on business for another year, I was unable to find in the explanation given by the Minister of Finance (Mr. Gordon) the main reasons why a one-year extension was being granted to them without amending the present act.

Everybody may not share our opinion to the effect that financial reforms should be made in our country, but everybody agrees, however, that the financial situation in Canada is one of the most serious and probably one of the most urgent problems.

When we consider the whole financial situation of Canada, and in particular the financial situation of the provinces, of our municipalities and school boards, in short when we see that the provincial governments, and more especially the Quebec government, are forced to take steps, at this time, to find the necessary funds in order to meet their requirements, I think that it would have been appropriate, this year, to introduce amendments to the Bank Act, because if we postpone that review for another year, we postpone by that much the introduction of proposals or amendments to the present act which could be brought about this year.

Unfortunately, today, in our modern world, no difference is made between public and private capital; our banks are there to play their part as financial institutions to meet the needs in private capital, they are there to live, make money, make profits and they set up their organization in the private sector to make such profits. That is normal and we do not blame them at all for making money, but we are against the banks having access to the public sector; as private organizations they should not finance the public sector, they should not invest in our municipalities, school boards or anything that comes under the federal government.

Public capital does not bear interest; no profit can be made out of highways because they are public capital. Nowadays, money is borrowed from private enterprises to be invested in public capital; citizens are compelled to pay interest because private enterprises have been allowed to receive interest which they should not claim.

I would like the Minister of Finance to tell us what he thinks about that and whether he puts private capital and public capital on the same footing. Indeed, he is a businessman, and an experienced accountant; he admits that capital must earn a profit, but it is not normal that a municipality or a school board, which do not make any profit, should be compelled to pay interest to private companies in order to develop.

When public works are carried out nowadays, the taxpayers and electors have to pay, through interest charges, two or three times for the schools, bridges and roads which are built, because the Bank of Canada does not provide the necessary public capital.

For years now Social Crediters have been saying that banks have the right to operate in the private sector of our economy. Financiers who invest money in private enterprise have the right to expect a profit, but we who advocate Social Credit, have also stated that banks should not finance non-profit public projects. That is why we make a distinction between private and public capital. That is also the reason why we ask the Minister of Finance once and for all to take his responsibilities concerning the Bank of Canada and to bring it to play its role in the field of public capital.

Investment is needed everywhere in fields which do not yield any interest but which are beneficial to everybody. The Bank of Canada should be there to meet the needs of public capital and the requirements of our society.

Now, I wonder when the Minister of Finance will assume his responsibilities once and for all in the field of public financing; we are here in parliament to satisfy the needs of the general public. We find it stupid that a government has to borrow from private institutions, from chartered banks, money which it could obtain from the Bank of Canada at 1 per cent instead of 6 per cent, as our public bodies are now doing. The country or the central administration would save a great deal of money that way.

We should realize that the Minister of Finance, in his budget, has almost a billion dollars interest on the public debt. We must pay every year a billion dollars in interest, that is, as the hon. member for Medicine Hat (Mr. Olson) said, a little more than the amount of our annual deficit. We had several deficits under the Conservative administration, we had another one last year and