

Private Bills

Mr. Chairman, I received part of my financial training on St. James Street, in Montreal, and I understand the importance of Bill No. C-99 whose object is to incorporate the Bank of Western Canada, with headquarters in Winnipeg because bank ownership must be diversified by increasing the number of banks, and that is why I proposed in this house the establishment of a chartered co-operative bank, the shares of which would be underwritten by the Caisses populaires du Quebec, because we really need such a bank in the province of Quebec. It would be easy to find the necessary capital for this purpose.

In its February 13, 1965 issue, the daily *La Presse*, in an important article, strongly endorsed this project of a co-operative bank which I submitted to parliament. To justify my support of Bill No. C-99, I will point out that in Canada we must stop banking concentration, and examine what goes on elsewhere.

In the United States, for instance, there are over 14,000 banking businesses with over 27,000 branches whereas in Germany the banking system is extremely decentralized since there are 13,000 credit institutes, including co-operative banks. In addition, the German banks are much more daring than ours when it comes to advancing money to industry and agriculture.

In the circumstances we have every reason to favour the creation of new banks, such as the Bank of Western Canada, because in the last few years commercial banks have been merging and increasing the number of their branches in order to create more scrip money and thus to insure the longest possible survival of the purchasing power they put in circulation, in the form of debts, by keeping it in their own branches.

Due to their omnipresence, commercial banks constitute a monopoly because they are gradually creeping into various sectors of the economy and, furthermore, they have power of life and death on hundreds of thousands of firms.

I should take this opportunity to say, however, that we are privileged in that the honesty of Canadian bank directors and staff is internationally known, and that is why the transfer of bank shares must be closely controlled by regulations if nothing is to destroy that confidence and if mobsters are to be prevented from taking over control of Canadian banks, as was the case in the United States according to an article which appeared in *La Presse* on March 1 last.

A study of Bill No. C-99 suggests that in 1867 the provinces obviously committed a serious mistake by leaving complete control of the Canadian monetary system in the hands of the federal government which, in turn, surrendered its powers, for all practical purposes, to the commercial banks.

Bill No. C-99 shows, furthermore, that the federal government should have all regal rights regarding the issue of credit so that commercial banks would simply become satellites of the Bank of Canada. It is absolutely inconceivable that chartered banks should have more power than the Bank of Canada. If the bill concerning the Bank of Western Canada is passed, that bank will have more power than the Bank of Canada because it will enjoy, as other chartered banks, under the existing act governing commercial banks, the extraordinary prerogative of putting in circulation new means of payment called bank money or scrip money which may be used to pay off debts.

That is why, Mr. Chairman, our group would agree that this bill be referred to the committee on banking and commerce for further study.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, once again, we are discussing Bill No. C-99 which the house was asked to pass last session. This time, the sponsor of the bill informs us that she would rather put it through the House of Commons before going before the Senate.

Our group is not against the setting up of new chartered banks provided there is no discrimination and that the priority of applications is strictly respected.

We have proven that such priority order was disrupted by the refusal of the Senate to allow a province to control its own chartered bank.

We do not admit that an individual should have a priority right over the whole of society or that three or four financiers should enjoy more favours than any province.

We recognize the right for some individuals to own their chartered bank, that is the right to multiply by 12½ times their deposits with the Bank of Canada in order to lend money which they do not really have.

There is nothing we can do about this. This nonsensical act was voted by the majority of our parliamentarians and we must submit to the law of the majority; that is democracy.

The majority is still in favour of the trusts to the detriment of the people, and we must