

Bank Act

appointments by provincial governments to the board of directors of the Bank of Canada.

If the Bank of Canada considers it cannot find 12 directors outside of central Canada who have the financial capacity to represent or express regional aspirations, or if they consider the rest of Canada is incompetent financially, or if they fear the provincial governments and do not want direct provincial government input or appointment, perhaps they could in their own representation—

The Acting Speaker (Mr. Turner): Order, please. The Parliamentary Secretary to the Minister of Finance is rising on a point of order.

Mr. Lumley: Mr. Speaker, if I understood the hon. member correctly, he said that there were no members from British Columbia or western Canada serving on the board of the Bank of Canada. I think he should check the list of directors of the Bank of Canada.

Mr. Wenman: I was suggesting to the House that there is no regional representation; that members chosen for directorship have in the past been and continue to be not regional in their recognition. I am suggesting a specific proposal, that the government recognize the provinces by allowing them to make some appointments to the board. If the government is afraid of the provinces and does not wish each province to recommend one appointment, then perhaps the government could choose five representatives. Or perhaps a system could be found which would, within the appointments of the federal government, recognize the regionality of Canada. This is not the situation currently and it should be.

Another matter which the government might have considered in its Bank Act revision legislation is permitting chartered banks to use provincial treasury bills as part of their secondary reserve requirements. There are several advantages to the proposal. It would lift what could be considered a monopolistic federal tax on chartered banks. The federal government's discriminatory action against the provinces in the secondary reserve requirements is typical of its lip service in recognizing regional rights and aspirations rather than do so on a realistic basis.

In 1974 after the infusion of a few more Conservative MP's from western Canada we thought the government had heard western Canada when it acceded to British Columbia's request for more regional autonomy by introducing a bill which would allow a 25 per cent equity position by a provincial government in regional chartered banks. That was three finance ministers ago.

Why did the government not accept this proposal? Was this window dressing tokenism? Or was it because the legislation that is currently being planned by the government was in fact the new socialist controlled system that the Prime Minister (Mr. Trudeau) muses about so loudly so often? Perhaps the hon. member who has just spoken was revealing some inside information and the government is going to restrict Canadian travel by restricting the amount of money we can take out of

[Mr. Wenman.]

this country. Is that socialist policy government policy? I hope not. I hope they will make that matter clear before the next election.

Why did the government not bring forward the former bill C-7? Is it a stall to get the government past another election? Is it because the government does not want to accept the proposals presented to it or does not know what to do? Regardless of the excuse, it is inadequate. Instead it should be part of a substantial major economic package which would improve the sagging economy of this nation. The country cannot wait 12, 18 or 24 months for a new Bank Act or a new economic thrust. The country is tired of the election paralysis which has fallen over this parliament and Canada. It is time that the government did something concrete or called an election so we can get on with governing this nation.

This bill is one of the government's excuses for inaction. It is a further stall tactic. It means that on election day Canadians will choose a new government to bring in a new economic package which will include a new Bank Act and the provisions which are wanted and needed by Canada.

● (2122)

[*Translation*]

Mr. Eudore Allard (Rimouski): Mr. Speaker, the white paper on the Canadian banking legislation published at the end of August 1976 would have the banks more competitive with credit unions, and other banking institutions. The members of the Social Credit Party of Canada believe that chartered banks at present are in a better position than other financial institutions in the country since they have the privilege to create money with a mere stroke of the pen.

A while ago I heard the hon. member for Timiskaming (Mr. Peters) say that he thought that the banks were sufficiently powerful, but chartered banks do not have control. They are self-controlled and they even control the members of this House as well as the government. They rule the roost. Mr. Speaker, I am pleased to take part in the debate on Bill C-16 since it gives Canadians the opportunity to get acquainted with the operation of our monetary system. I have before me some statements on banking assets from 1967 to 1975. From October 30, 1967 to October 31, 1970 those assets increased by \$6 billion; from 1971 to 1972, by \$8 billion; and from 1973 to 1975, a record increase of \$16 billion. I said "record", but I think they will beat that record this year. In June, I forecast that the chartered banks would make a net profit of \$25 billion, but I foresee now that those will reach \$26 billion this year.

Mr. Speaker, before the Bank Act was revised in 1957, the increases in bank assets varied between \$2 and \$3 billion a year. With regard to interest rates on loans to their clients, there was a 7 per cent ceiling from 1934 to 1944 and 6 per cent from 1944 to 1967. When the ceiling was removed in 1967, rates remained subject to a very complicated increase which depended more on the general trends in financial mar-