

Bank Act

● (4:00 p.m.)

What he was able to do with that carefully turned argument was to present to the minister a finely polished stone to kill two birds. He not only presented the stone to the minister but he also plucked both birds in advance. If the minister were to follow the advice of the hon. member for Nanaimo-Cowichan-The Islands he could reap all of the political benefits of being anti-American at the present time and also thrust socialism into the Canadian economy at one of the most crucial points.

Finally, Mr. Chairman, I feel there is one section in the Bank Act that is of great importance, and I refer to the amendments in the new legislation preventing the chartered banks from combining, co-operating and joining together to set interest rates. One is given cause to wonder why this provision is there. Has the minister become sufficiently certain of the future to suspect that this is going to happen? Somehow I doubt that he has the omniscience in regard to the future that the legislation would suggest. If he was so certain of the future I am sure he would never be involved in any conflict with his colleague the Minister without Portfolio.

I suspect that the legislation makes this provision because of what has happened in the past. As I say, it is very difficult to bring forward any evidence to prove that the chartered banks have combined to set interest rates in the past. Yet the provision is there, apparently as a purely preventative measure. I know how very difficult it is to obtain the sort of evidence that is necessary to convict Canadian companies under our anti-combines legislation. It is almost impossible to gather data that is sufficiently definitive to bring about a conviction, and I am sure it would be even more difficult to prove that the chartered banks of Canada had conspired to set an interest rate. Although in a way the legislation is a good thing—

The Chairman: Order. I must advise the hon. member that the time allotted to him has expired.

Mr. Johnston: Mr. Chairman, if I may have the indulgence of the Chair and of the committee, I have almost finished my remarks.

Some hon. Members: Continue.

Mr. Johnston: May I just say that I think this provision represents a bit of wishful thinking on the part of the minister and the government and I do not think that the

[Mr. Johnston.]

Canadian people will be beguiled by it when the bill is passed by the house, as I am sure it will be. I doubt that any case could ever be launched under this provision when it is passed, and certainly no case could be brought to the point where a conviction would be secured.

We have heard in this chamber an attack on co-operatives, an attack against those producers at the primary level who have banded together in order to provide themselves with a more sustained income than they could ever receive with each trying to market his product individually. I suggest that one of the real causes of high prices in Canada has been the combining of companies at the top level. One of the continuing problems in the Canadian economic system has been the power of the chartered banks to come to mutually favourable decisions through consultation one with another. I doubt that this legislation, good as its intentions may be, will ever end this situation.

[*Translation*]

Mr. Clermont: Mr. Chairman, I am pleased to add my thanks to those which have already been expressed for the wonderful co-operation given the committee on finance, trade and economic affairs in the study of Bill No. C-190, an act to amend the Bank of Canada Act, Bill No. C-222, an act respecting banks and banking and Bill No. C-223, an act respecting savings banks in the province of Quebec, by the hon. Minister of Finance and Receiver General (Mr. Sharp), and his parliamentary secretary (Mr. Chrétien), by Mr. Louis Rasminsky, governor of the Bank of Canada, and by the deputy governors, by Mr. Maurice Ollivier, law clerk and parliamentary counsel, as well as by officials of the public service, namely Mr. C. F. Elderkin, special adviser to the Department of Finance and former inspector general of banks, to whom the committee is greatly indebted, Mr. J. W. Ryan, of the Department of Justice, and Mr. W. K. Scott, inspector general of banks.

I also wish to thank the persons, groups and associations who willingly made known their views on those various bills, the chairman of the committee, the hon. member for Essex West (Mr. Gray) and the deputy chairman, the hon. member for Quebec-Montmorency (Mr. Laflamme) and our dedicated secretary of the committee, Miss Dorothy Balantyne, our researchers, Miss M. R. Prentis and Mr. Denis Baribeau, our interpreters and translators, in short, the whole staff assigned