

Northland Bank

people and controlled on the basis of one vote per shareholder, no matter how many shares any shareholder may own. The time has come for the public, collectively, to own our financial institutions so that we can make decisions according to social need, rather than according to the needs of multinational corporations operating here or overseas which are interested in profits. We want to consider this as we approach the decennial review of the Bank Act in 1977.

I saw in the newspaper the other day that the profits of our chartered banks have risen immensely over last year's profits. Their earnings were greater than those of the resource or manufacturing sectors. If I recall correctly, they earned some 41 per cent more last year than in the year before, and 81 per cent more in the third quarter of this year than in the third quarter of last. These are immense profits and we would do well to consider putting such a business enterprise under public ownership.

The establishment of the bank being considered is a step in the right direction as it will mean that a new bank will be based on the prairies. Co-ops, credit unions and, hopefully, western governments will invest in the bank. For these reasons I support its establishment. This is a good move for the people of the prairies and will provide help to ordinary people and small businessmen which is not available today. Our credit unions and co-ops have a good record for helping ordinary people of the kind our chartered banks will not touch. Such ordinary people hold out little prospect of profit. Perhaps this bank will operate differently, be closer to the community and provide many of the social and economic services which the small people, the farmers and others of rural communities on the prairies need.

For these reasons I support the establishment of the bank. I shall watch it closely in years to come, to see if it lives up to expectations as a bank with a difference, with a social conscience, as a bank which will try to work for the benefit of the community instead of working hand in hand with multinational corporations for profits.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we are dealing tonight with private bills and more specifically with Bill C-1002, entitled "An Act to incorporate the Northland Bank".

Mr. Speaker, I should like to point out in connection with parliamentary procedures that, whenever a private bill is called at 5 o'clock in the House, it seems extremely difficult to have it adopted, while on the contrary, whenever a bill to incorporate a new bank is called, it seems that nobody can object, that everybody must keep quiet, in order to let some hon. members set up a corporation and open a new bank in Canada. Well, Mr. Speaker, as you know, we have always been in favour of a monetary reform, and when we realize that some individuals want to set up a new bank in Canada, we have a unique opportunity to tell the House what we think not of banks as such, as private institutions, but of the Canadian monetary system and what ought to be changed.

I have been struck, Mr. Speaker, by the exchange between the hon. member for Bellechasse (Mr. Lambert) and the bank's president, Mr. Wilson. As reported on page 74:28 in Issue No. 74 of the Minutes of Proceedings and Evidence

[Mr. Nystrom.]

of the Standing Committee on Finance, Trade and Economic Affairs, the hon. member for Bellechasse (Mr. Lambert) asked Mr. Wilson this question about the bank to be incorporated:

Will this new bank that you hope to set up have the privilege of multiplying its deposits by X per cent, . . .

To which Mr. Wilson gave this answer a bit later:

Northland Bank is not creating money.

A bit later, as reported on page 74:38 of the same issue, Mr. Wilson had this to say:

What you have described is, of course, the path of money as it flows through the economy. In a sense what you say is correct; money is created.

Mr. Speaker, for years we have said that banks are making money from nothing.

● (1720)

We were laughed at. We were not believed. But tonight, for the benefit of my colleagues, I shall quote many bank managers, presidents of the United States or other countries and important men who admitted years ago what Social Crediters have always advocated. I shall therefore tonight make a short history of the international monetary system, or rather of the creation of banks in the world.

In 1694, when King William III found himself in financial difficulties, he called upon a group of London merchants who lent him the sum of 1,200,000 sterling pounds at 8 per cent interest, in addition to a sum of 4,000 pounds for the administration of the loan. In return for that loan, the king gave the merchants the privilege of establishing the Bank of England, along with the right to issue credits or loans for amounts above their liquid assets or reserves.

In 1935, the former Prime Minister of Canada, the right hon. William Lyon Mackenzie King, said:

[*English*]

—the government's most conspicuous and sacred responsibility—

[*Translation*]

—was given, in 1694, by the King of England, to a group of London merchants who later on founded the Bank of England. Seventy years later, England having given over control of its money and credit to the London Merchants Association, by then become the England Bankers Association, which founded the Bank of England, Mr. Benjamin Franklin, then ambassador of the English colonies at London, on being asked why the colonies were so prosperous, answered:

[*English*]

—because we issue our own money. In 1764, England prohibited this practice.

[*Translation*]

Because England, at the time, issued its own money without going through the intermediary of the banks, it prevented the colonies from issuing their own money and credit.

[*English*]

In 1811 Congress voted down the renewal of the charter of the First Bank of the United States, which precipitated the war of 1811.