

Bank of Canada Act

The Industrial Development Bank, of course, is an agency of the Bank of Canada.

—or shall I say, the industrial development wicket of the Bank of Canada, no power of issue. To my way of thinking, as other hon. members who have spoken have pointed out, that is a serious shortcoming.

Secondly, I would point out that the amount of money to be provided under the terms of this bill for industrial development is hopelessly inadequate to meet the problem which it proposes to attack, namely, that of sufficient assistance in post-war production—to maintain a high level of economic activity, a high level of industrial production.

Since that time members of this party have continually supported this principle and have urged the government to take action along these lines. I will summarize my remarks. I approve of the remarks made by the hon. member for Fraser Valley. I will not repeat some of the material he presented to the house during his excellent speech. I do not always call his speeches excellent but this time I quite agree with every word he said.

If the Bank of Canada is given the right to issue the capital required for social investment by federal, provincial or municipal governments, if the Industrial Development Bank is given the same right through the Bank of Canada for the provision of capital for smaller industries, if the private banks of Canada continue to fill the short-term financial needs of corporations, companies and individuals and if, underlying that, the credit unions provide the capital for investment in consumer goods, in my opinion we will have established the sovereign right of Canadians to control their social capital requirements. We will have established Canada definitely as a sovereign state, we will have established the value of our resources, industrial and other developments, and we will have provided a sound credit foundation for the purchase of consumer goods.

In my opinion, if we could get the minister to agree to the policies expressed this afternoon, we would have a sound banking system. I know the minister is an honourable gentleman and as I look at him it seems to me that he is almost persuaded by the remarks made by speakers this afternoon. I had intended to say more at this time, but obviously there is no necessity. In concluding my brief remarks on this subject I should like to ask the minister to tell us why the Bank of Canada and the Industrial Development Bank cannot be banks of issue to provide the social development capital which is necessary for public projects in this country for federal, provincial

and municipal governments. Before this debate terminates I should like the minister to give his opinion in respect of the representations which have been made to him this afternoon, because we believe this is the basis which will enable us to place our financial system in this country on a sound footing, provide for the development of hospitals, schools, roads, universities, and even provide the minister with an opportunity to pay to Premier Bennett of British Columbia the \$100 million he is seeking to make up for the deficit in the building of the dams on the Columbia river.

● (5:10 p.m.)

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am pleased to say a few words this afternoon on the banking system, the Bank of Canada, its aims, its principles, its achievements and the prerogatives it should make use of.

The Bank of Canada is only playing half its role. The Minister of Finance and Receiver General (Mr. Sharp) and most hon. members do absolutely nothing and let things drift, they do not want to straighten out the abnormal economic situation which now prevails throughout the country.

The Bank of Canada Act is the greatest piece of legislation, one concerning which the highest authorities must make use of their powers. The Bank of Canada does not play its part and nobody in the house is concerned about it, except the hon. member for Kootenay West (Mr. Herridge), whom I wish to congratulate, and the hon. member for Fraser Valley (Mr. Patterson) and also those who understand the meaning and the duties of a national bank. And now, Mr. Chairman, this is the point I want to make.

We can see very few members in the house. In fact, we are talking before empty seats whereas the legislation in question has indescribable importance.

The house is ready to let everything go, as in the past. Private institutions have been entrusted with such controls and sovereignty as belong to the state. The sovereignty that should rest with the Minister of Finance was given to private establishments, and people do not give a tinker's dam.

When the Minister of Finance needs money to conduct the nation's business, he has to go on bended knees to the private finance companies to whom we have surrendered our sovereignty. Such is the responsibility of every member of this house.