

*Bank Act*

Science as applied to agriculture, industry, trade, communications, has made enormous progress particularly in the past century and a half, and more particularly in the past forty years. Man had long since learned to use simple machines to heighten the strength of his muscles and that of animals—he also used a few inanimate forces like wind and water. But since he has learned to use fossil solar energy in the form of coal or oil, since he has been distributing through simple metal wires the power of falling masses of water across hundreds of miles, since chemistry went from the laboratory to industry, the progress made cannot be measured, the problem of production has been solved. Realizing what is happening in the area of production and consumption and particularly the means of distribution used, we sometime wonder whether the leaders of our society are blind or stubborn. They do not seem to have yet understood that we should be heirs rather than born losers.

He still believes that a man must be poor and find it very difficult to earn his living. We speak about the legacy gathered by generations, of the land conquered through the toil and ingenuity of mankind; they will reply that we are born under a blanket of debts. Wealth is overflowing, but a false, stupid, deceitful and fanciful system turns heirs into debtors. According to their argument, Champlain and the brave settlers established the faith, farming and civilization in Canadian forests; their successors three centuries afterwards have improved agriculture, have built cities, modernized industry and all that series of workers would have toiled on the Canadian soil to leave to their issue a legacy of debts, misery and hardships. But this is really absurd! This is why I insist we should refrain from studying the terrible cause of all our troubles. Again I say it is the financial system, the money made by man which has been badly distributed and that is the matter which should be investigated.

For several years now our politicians no longer refer to the payment of our national debt, as I pointed out last night, they can hardly manage to pay the interests which reach several billions each year. We should not forget that it is only the interests on the public debt. We are surprised by the rising cost of living. We do not stop to think that higher interest payments are one of the main causes of the cost of goods and the soaring cost of living. And all this is due to that financial system which should be altered. Most provincial and municipal governments have to pay interests on their debts and they hardly manage to meet them. From our woods, our lands, our manufactures, we can hear someone making the following parody: You will pay your debts and your taxes by the sweat of your brow.

● (1542)

[*English*]

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I wish to make a few comments on Bill C-16 which extends the date on which the Bank Act expires from March 31, 1978, to April 1, 1979. I am very much in favour of this bill passing. I am in no hurry to see a new Bank Act. If what I hear is

[Mr. Dionne (Kamouraska).]

correct, the new Bank Act will not be very favourable to ordinary Canadian citizens. Therefore we need more time to talk about what should be in the new Bank Act to help the ordinary people of this country. It is on that issue I want to spend the next few minutes.

I believe that under the new Bank Act the government will allow into this country what one might call suitcase banks. The government would like to see a lot more banks come into Canada. They would obviously be foreign-owned banks, most of which would be based in the United States. I contend there are enough banks in this country. We do not need to bring in more. If more banks do come into Canada, I can visualize a lot of problems.

If we have an open door policy with regard to banks, the banks that will locate here will primarily be branches of the huge banks in the United States or large multinationals around the world. There will be a lot more competition with the Canadian chartered banks for the big accounts such as Inco, CP Rail, Imperial Oil and the like. Increased competition will mean lower profits for the Canadian banks than would otherwise be the case from the source.

We now have legislation in this country whereby our banks are Canadian. That is an important part of legislation passed in this House many years ago.

If foreign owned banks come into this country, their prime target will be to get the accounts of the large companies in Canada. They will not be interested in servicing the ordinary person who lives in Selkirk, Manitoba; Yorkton, Saskatchewan; Montreal, or anywhere else in this country. The Canadian banks will have to compete with these new banks for the business of these large companies. In order to be more competitive they will have to make less profit. They will make their profit by charging higher interest rates on consumer loans and charging higher fees and service charges to the ordinary citizen banking his money or making a loan. The service charges being paid by the ordinary person in this country will increase after the new Bank Act comes into force.

● (1552)

If what we hear is true, the government is going to open the door to allow more banks, the suitcase bankers, the foreign bankers, into our country. I think that would be a very big mistake. One of the prime prerequisites of our banking system in Canada should be to have that banking system act as an instrument of national policy. I think it should act as an instrument of national policy in the same way as a transportation system must act as an instrument of national policy. The government must maintain control over that system. It is one of the things which must remain within the authority and under the jurisdiction of the federal government. If we were to decentralize the banking system the difficulty of maintaining good economic planning would be more difficult.

The main point I am making, Mr. Speaker, is that banks must be an instrument of national policy and they must be used as such. If we are to allow huge multinational banks into our country from offshore it will be more difficult to use banks