

Private Bills

is, those institutions called banks, to create and control the economic lifeblood of the nation, that is money, be it coins, currency or scrip money, in the form of figures, in my opinion we are failing in our duty as representatives of the people in Parliament.

It has been said and repeated many times that governments have failed to carry out their lofty purpose because they allowed private enterprise to control money, credit, at will; because they gave the chartered banks the absolute control over the creation of credit, the monetizing of credit in Canada.

I think we would be remiss in view of the fact that within a few months, that is by December 31, we will revise the Bank Act in this country.

We have witnessed too many financial ups and downs in Canada, that is times of the lean kind, corresponding to credit restrictions which lead to immediate economic crises, as a result of which we starve in spite of an abundance of wheat, and we realize that periods of prosperity occur when international or national interests must be adequately protected. Then, large credit facilities are made available and the sky is the limit when war production is concerned. Nevertheless, in the past, we have experienced the effect of credit restrictions, especially between 1930 and 1939. The situation was the same in 1932 and 1953 when restrictions were set. It was a period of unemployment and the situation was very serious in the country at a time when there were 700,000 to 800,000 unemployed. Was there a shortage of natural resources, workers, brains and roads to be built? Definitely not. Everything had slowed down in the field of consumption and the use of consumer goods.

Then, if money can have such important repercussions on the Canadian people as a whole, it is normal we should consider it as a social instrument, rather than, as suggested by the banks, as a third commodity that they have the privilege to manufacture as they please, but actually as a social instrument to be distributed and put into circulation at the same rate as society itself, through scientific progress, the labour of man and the development of natural resources. It should be distributed as a commodity at the disposal of human beings. Goods exist in order to satisfy our needs. This third commodity, as suggested by bankers, being controlled by private enterprise called banks, does not always constitute a bond between the two. That is why if we do not always support the views of those

so-called economists who warn us of periods of recession and of tighter credit especially for workers and farmers, because when the big fellows are on the verge of bankruptcy, credit is released and new life is put into the economy. When the wheel turns too fast, credit is once again curtailed.

Such are the theories advocated, for instance, by the Secretary of State (Mr. Lamontagne) who explained them in a document put at the disposal of Quebec citizens. As far as we are concerned, our economic theories are to give new life to the Canadian people so that they will no longer be deprived in the midst of prosperity and the poorest will be sure to get enough to live on thanks to the government which, in the exercise of its sovereign rights, will control through its agencies normal social credit which will allow for a better development of our wealth and will give our poor classes a chance to enjoy the country's prosperity.

[English]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I am not sure how many times this bill has been before the House in this session and we remember, of course, that it was also before the House on a number of occasions in the last session. This is the first time I have entered the debate and I assure the House my intervention will be very brief.

There is a new development in Canada which is more or less a reversal of the trend in past years, when the number of banks operating in this country was constantly decreasing. In recent months there have been three applications for charters and it would seem that this is all to the good. I believe this development is a healthy one that should be welcomed. I do not know whether it will result in making it a little more uncomfortable for those already engaged in the banking business in Canada, but I am sure it will eventually be to the advantage of the economy and of our people as a whole.

• (5:40 p.m.)

Now, the principle of competition in banking has been urged by the Royal Commission as necessary to the proper and adequate functioning of our financial system. I believe the suggestion that has been made that there is already adequate competition amongst the various banks of our country is open to question. In the banking commission report we received some time ago two dangers were pointed out. The first was the danger of agreements which would limit competition amongst