

Bank Act

Then, for whom is inflation a danger? For the financiers, of course; for the poor, of course, because should it occur, costs would become prohibitive. But are we going to start all over again, every four or five years, with the result that whenever there is money, we will have to take steps to restrict consumption, by fear of inflation, and when there is a shortage, the poor will have to tighten their belts.

I wonder, Mr. Chairman, and I believe that my concern is sincere, for I am not yet a socialist. I still believe in the capitalist system, but I say that this system is being challenged, that if it does not take up the challenge soon, it will have to answer certain questions, to face certain upheavals. I think that my colleagues, who are now listening to me, know that I am not biased, and that if I show narrow-mindedness, it is not intentional.

I am trying instead to give a warning which I hear whispered in the masses—and the problem is not settled.

Mind you, I have no intention of blaming the government. This represents probably a global legislation so important that its preparation and implementation would take years. But I say to the government that time has perhaps come to listen, and not to say at the outset: Well, the Créditistes are wrong, they are dreamers; or else: Well, the N.D.P. members are socialists, they are wrong, they are dreamers.

I wonder whether we should not take something from all these theories. And then, it is not necessary to say it, because I see on another financial page—which I shall not quote to spare time—the following title:

Did Ottawa choose the right solution?

Mr. Chairman, I almost wish to close with an extract by somebody who advocates the Mr. Douglas' theory of Social Credit, but I will spare you and shall only say this: There is, among Canadians, a great concern about what I call the failure of the financial system in which we live. The financial system has perhaps prevented a greater evil, but it did not give that minimum comfort which the people expect in our modern times.

Now, this is the challenge that the government will have to face.

[*English*]

Mr. Mackasey: Mr. Chairman, in view of the fact that tomorrow is a very important day in the history of most enlightened people, because I will not be here and I understand that another Irishman from the riding of

[Mr. Mongrain.]

Rosthern will be delivering a speech, I am hoping that when ten o'clock comes hon. members might celebrate St. Patrick's day by permitting myself and the hon. member for Rosthern to complete our observations on this particular clause of the bill.

I have listened with a good deal of attention to the discussion on the bank bill during the last two days. Like most hon. members I was impressed by the chairman of the finance committee and the way in which he conducted 70 or more meetings. Although I joined that committee very late in its hearings, I think this was a perfect example of how the committee stage can work, and how committees of the House of Commons can perform an important function, provided the members forget extreme partisanship and are objective in performing the task given to them by the house. I think it is safe to say that perhaps there is more interest in this bill than ever before in the history of Canada in regard to any legislation governing banks and our financial institutions.

• (9:50 p.m.)

Canadians for generations have been proud of the record of their chartered banks. I suppose all of us at one time or another have repeated the story that our chartered banks did not fail during the depression as did the banks south of the border, and we have become a little complacent about our banking institutions. Our bankers stand up with pride and, for instance, point to the vast sums of money they are lending under the Small Loans Act. When we look at the fine print and find that practically all these loans are paid, and that the federal government is rarely called to meet its obligations as guarantor we realize that the banks are taking little risk in making these loans. However, recent failures in the field of near banks have made Canadians a little more apprehensive about our banking system and our financial institutions. Certainly if there was any intention or inclination on the part of Canadians not to be interested in the present Bank Act their attention would have been focused on the banks forcibly by the unexpected events concerning the Mercantile Bank and the so-called cabinet leak.

Most speakers have spoken very eloquently about the Bank Act. The hon. member for Labelle made a very intelligent and thoughtful opening speech concerning the Bank Act and the Porter commission report, a better speech than I could possibly deliver. However, I should like to speak on one aspect of the