

retain the deposits which we now hold in foreign currency. It would be a good thing to have that in a time of need when it will be required if we are to carry on trade.

I am sure the Minister of Finance and the government are getting much advice on how to stabilize our dollar and whether we should continue to back our currency with the International Monetary Fund. They could ask the hon. member for Eglinton (Mr. Sharp) to advise them on the latest developments of the tri-lateral commission of which he is one of the chairmen. The object of this tri-lateral commission, set up by David Rockefeller, is to replace the International Monetary Fund, which they believe is going bankrupt. I think they would be interested in having a former minister of finance discuss Canada's role in that new agency.

Hon. members opposite laugh. They do not believe they should have any control over the banking institutions of this country. In the last four or five years some hon. members in this House have suggested that we should have more banks, and they will remember that I disagreed. Banks in this country do not operate in a free enterprise system. Sometimes they compete with trust companies, but they own the trust companies so it does not matter whether the trust company or the bank makes a loan because the bank will lend the money to the trust company anyway. There is very little competition in banking in this country. That goes for the International Development Bank as well, which I have not found to be a paragon of generosity when dealing with people who want to borrow money.

I am prepared to agree that banks should be nationalized and brought more under government control than at present, although most of them would maintain that they are well controlled now. That is partly true. There is no point, however, in allowing banks to build office towers like that one on Sparks Street. If I were in charge of that banking institution and had money stored there I would have the mirrors on the inside so that everything would be rosy, and then instead of there being one pile of money there would seem to be three piles!

The Bank Act should be changed and the whole banking structure of the country should be changed, Mr. Speaker, because there is no banking competition. If you want to borrow money and are turned down by one bank you will likely be turned down by another; and if you are turned down by two banks the Industrial Development Bank will not let you borrow money.

I do not propose that we should return to backing our currency with gold, but we should back it with something. There seems to be little reference to the gross national product as a means of backing money which is outstanding. We do not seem to be making an effort to reduce the national debt. We are living on a credit card just as individuals are being encouraged to do.

It is all very well for a bank to send me a letter outlining all the ways I can borrow money on my Chargex card and complaining that I have not used the card in the last three months. I suppose it is all right to use the credit card as long as

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there is money in the bank. But unless there is, I would be operating at a deficit. That may be necessary for me when I make a major purchase but it may not be an advantageous way for a nation to do business.

Someone who spoke earlier mentioned restrictions, and I should not be surprised to see some of them contained in a new budget, Mr. Speaker. We are borrowing money against the U.S. dollar in order to peg our dollar, but we have not done anything about the financial drain that is taking place in many areas. Some of this we can do something about and some we cannot, such as importing fruit and vegetables in winter. It may not be advisable for our tourists to spend \$4 billion outside the country each year so controls may have to be put on travelling. I am sure some hon. members are not old enough to remember when that happened before, but it was since World War II and travelers could only take about \$200 out of the country. Such restrictions may have to be imposed again to help our balance of trade. That is the deciding factor in how other nations see us. How other nations see us is by their evaluation of our currency, and our dollar will reach that level of their support.

● (2112)

Again I tell those socialists in the maritimes to read Myers' report. He told us to buy gold. He told us not to buy certificates in South Africa because of the political climate there. His suggestion is to buy gold and nothing else. If the maritime socialists take his advice, they may find in that paradise that the sun may shine on them too.

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, the shifting of the financial centre of Canada to a most westerly position has occurred in Canada in spite of rather than because of the initiatives of this centralist government. It the government intended to pay more than lip service to the concept of regionalism that is being espoused across this land, they could have demonstrated it in this Bank Act. They could have demonstrated it in minor ways by making changes in the basic structure of the board of directors of the Bank of Canada. Perhaps they could have considered the reintroduction of bill C-7 which was brought forward in 1974.

The Bank of Canada is controlled by a governor, a senior deputy governor, two deputy governors and 12 directors appointed by the federal government for three year terms. The Bank of Canada is the most centralized of all the regulatory agencies in that it has no mechanism for regional accommodation at all. The Bank of Canada's macro-economic models are strictly national in scope and make no estimate of the bank's policy as it relates to the regions. Provincial officials have complained long and loud about the inadequate consultation between provincial governments and Bank of Canada officials.

If our government intends to review the banking legislation, it is not sufficient to receive briefs from and examine the chartered banks and near banks. The Bank of Canada's policies determine significantly the behaviour of all banking institutions. If regional aspirations are to be given the consideration they deserve, some day there should be direct