

Continental Bank of Canada

● (1720)

It is scandalous. And they say that poor IAC should become a bank. It does not make enough money, it should take back its funds and multiply them by 16, not by 16 per cent, but by 16 to make even more money. This is our famous bank system. Let us give it the same as to all others. If we do it for one, we should do it for all others. I want justice. When we have given the same thing to all companies there will be enough of them for us to realize the ineptitude of our present system.

The hon. member continues as follows: We should note that almost 65 per cent of the present business of IAC is similar to that of chartered banks. Of course. It does not have the right to create credit like banks, that's all. It wants that right. IAC wants to create money from nothing, with \$6 it wants to lend \$100. This is the whole issue.

Over 90 per cent of IAC shares are of a kind that will allow the corporation to be assimilated to chartered banks if, as recommended in the white paper, banks are allowed to offer indirect services. IAC should become a chartered bank, whether the proposals made in the white paper are recognized or not. They do not care. They did say they could not care less until we get to the white paper proposals. Some people have interests in IAC and I am told that 90 or 95 per cent of shareholders are Canadians—I cannot find the place—96 per cent of shareholders are Canadians.

This is a monumental joke. They say that 96 per cent are Canadians but I would be interested to know the facts. The question has been put and it got a partial answer. One shareholder owns 19.6 per cent of the shares. If five shareholders own 51 per cent of the shares, they are not concerned about the others. They make people believe that the corporation is controlled by the people when in fact only four or five individuals direct the full operations of that finance company.

Well, I will oppose those moves as long as I live because at that rate we will end up with chartered banks completely outside the control of the Bank of Canada. What is forgotten today is that the Bank of Canada should be given the power it should have, that is the sole power to create currency, but instead of giving it that power they want to give it to chartered banks. The Bank of Canada alone should control monetary credit as legal tender, and then we would be in business.

Mr. Deputy Speaker: Order.

Mr. Gauthier (Roberval): Mr. Speaker, I realize that my time is up.

Mr. Deputy Speaker: I recognize the hon. member for Rimouski (Mr. Allard).

Mr. Eudore Allard (Rimouski): Mr. Speaker, I would like first to thank my colleague, the hon. member for Roberval (Mr. Gauthier), for making a very specific statement on Bill C-1001.

Mr. Speaker, It will soon be five years that I first came to the House and I always ask myself a question that puzzles me, namely, why do such bills which favour finance or the setting

[Mr. Gauthier (Roberval).]

up of corporations to exploit Canadians, why do such bills seem to have seven lives? We keep killing them as they come but they always spring right back.

Yet, when we study a bill aimed at alleviating human suffering, at increasing old age pensions or family allowances, or at building roads or houses, there is always some government member to reject it. At five o'clock, they disappear.

This, Mr. Speaker, is the system in which we must work. Today we are asking this distinguished assembly at least to allow the establishment of a new bank. Are all of us who are here today sincerely convinced that the establishment of a new bank will improve the situation, reduce unemployment, put an end to the closing down of plants and stimulate business? I believe we now have in Canada ten chartered banks that are well organized and that can create all the necessary credit with a pencil and a piece of paper. There are 22 million people in Canada and we could all become overnight millionaires because it is easy when we know where money comes from and how a dollar is made: you simply need a piece of paper and a pen to create credit.

My colleague said earlier that we had the right to create 16 per cent. It is not 16 per cent, but 16 times the amount on deposit. Chartered banks can create new credit. Our politicians have given them this privilege. We may well wonder why this privilege was extended to a group of individuals. However, it remains that this privilege was granted to a group of people who have a right of life or death on the development of our country. If those people control the air we breath, they would put it in storage and distribute it bit by bit, like they do for the monetary system.

Mr. Speaker, first of all, I think there are enough chartered banks to meet our needs. Second, my colleague mentioned the Bank of Canada. This bank belongs to each Canadian. It was established by a good Liberal leader in 1934. At that time, he actually said that the Bank of Canada was designed to be a bank for all of us, to issue the funds required for the expansion and development of our country.

Unfortunately, that bank never served its purpose because someone came to our public men and said: Much good that will do you, but let me tell you this: when you need money, just come and see us and we will fix that, we will lend you money. It is not me who said it but someone opposite said that a people that does not control its economy, its currency, regardless of the laws it passes, is ineffective, and we have proof of this today. With all the banks we have, we are facing a terrible crisis, a record unemployment rate and we are unable to find answers to our problems.

Mr. Speaker, I should like to quote an internationally known economist, Mr. Paul A. Samuelson. He puts the following question: Do chartered banks really make or create money? I say yes and he also says yes. I should like now to quote some excerpts from his work. As I said earlier, we are now discussing banks and we must tell the people and members of the House that banks really create money and credit through the so-called process of multiple expansion of bank deposits. Most people have heard that by some mysterious conjuring tricks,