

Private Bills

being offered to the shareholders of Laurentide Financial Corporation Ltd.,

—a finance company which has been doing business about ten years in Canada, both in the province of Quebec and in the other provinces, under the legislation governing small loans companies and consumer credit companies.

We all know that interest rates are charged on those small loans granted consumers for the purchase of production or consumer goods. Those people would be given a powerful weapon should they be granted, through a chartered bank which they would own themselves, the power to multiply the promissory notes signed by the borrowers of the Laurentide Financial Corporation Ltd., because for all such loans, the borrower must necessarily sign a note whereby he promises to reimburse every month on a certain date, during a period of 10, 12, 24 or 30 months, an amount which includes the principal and interest.

But when we examine those loans, we realize that the rate of interest charged is unreasonable.

The granting of this charter to the petitioners would therefore mean that vested rights would be given to persons who already exercise very strong powers in the monetary field in this country.

• (5:30 p.m.)

The Minister of Finance stated recently that he hoped the Canadian Parliament would, through the Bank of Canada, exercise better control, I would even say closer control, over the amount of money in circulation or over the money supply in Canada.

I do not think his goal will be achieved by granting charters to banks or companies or persons who, I agree, have a lot of experience in banking or in money matters.

In order to clarify the matter, the witness states, as reported on page 10 of this report:

I have mentioned that we consider it desirable for the proposed bank to ally itself with Laurentide Financial Corporation Ltd., with which company a number of us appearing before you today are associated in one way or another. It may be of interest to the members of the committee to know that the directors of Laurentide Financial Corporation formed the intention, approximately eight years ago, to assist in the formation and development of a new Canadian chartered bank. This was prompted by their view, which continues today, that such an institution could be of benefit to and be assisted by that company to the advantage of each—

I do not know whether they meant the Canadian company or their own company.

[Mr. Perron.]

—of benefit to and be assisted by that company to the advantage of each.

He goes on to say:

Active co-operation toward this end commenced some four years ago—

Here, Mr. Speaker, is the explanation of what I referred to not only in regard to monetary and banking business in Canada but also to its important and far reaching effects—

Active co-operation toward this end commenced some four years ago when Laurentide Financial Corporation Ltd., together with local interests, formed the Commonwealth Industrial Bank Limited in the Bahama Islands. At about the same time, the company began to locate its offices in Canada in premises which could be suitable for the operation of bank branches. There are now more than 70 such locations distributed amongst the provinces of Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Thus a man could, perhaps under normal circumstances, go to the bank to borrow \$1,000, \$2,000 or \$3,000 and be turned down. He might then climb one flight of stairs in the same building and go to the Laurentide Finance Limited where he could obtain a loan at the rate of 18 or 24 per cent interest. The next day, the same note used on the next floor up has now come down and meets the terms required under the Bank Act by those moneymakers controlling the economic blood of the nation. They are becoming the true masters of family life and individuals and they also control this parliament to a very large extent.

Certain facts are quite revealing, according to this:

A correlation of the growth in national income and the assets of all the Canadian chartered banks shows a remarkably similar pattern. In the nine-year period ending December 31, 1963, the national income increased by 72 per cent as did the assets of the chartered banks.

Assets of chartered banks, therefore, have also shown the same increase as the national income, that is an increase of 72 per cent in nine years of operation, nine years of labour by the Canadian people, nine years of intensive development of our natural resources. During the same period, the Canadian chartered banks, of which there are eight, recorded the same rate of progress.

Now, Mr. Speaker, I feel that we, of the Ralliement Cr ditiste, have the right to ask for more accurate information. We want to obtain fuller information concerning banking operations. That is why we are in favour of setting up a committee, to make a thorough investigation of our banking system as well as of the recommendations of the Porter commission. In allowing private enterprise, that