

Canada, and they would deposit that money in chartered banks, obtain a 3 per cent interest in return, and the chartered banks could lend it to other people.

This is the system which we are advocating and I am asking the Minister of Finance—since we assure him that we are not interested in the issue of new dollar bills, but merely in the creation of the same percentage of credit now issued by chartered banks to have a permanent money supply, since the economy of the country is expanding—why he objects to entrusting the creation of credit now issued by chartered banks with the Bank of Canada for the benefit of public development in Canada?

I believe that, as a result of those explanations, the minister should be in a position to answer my question more fully than he did last evening. It seems to me, with the data and explanations which we are submitting to him, that he should be ready to give us a reply in that respect.

[English]

Mr. Sharp: Mr. Chairman, I was reviewing the remarks made by my colleague the Minister without Portfolio when he introduced the Bank Act in 1965 and did something that I regret I did not do at the beginning, that is, give a dissertation on Social Credit theory.

Mr. More: He voted for it.

Mr. Sharp: However, Mr. Chairman, I was reviewing with great interest his remarks on that occasion when he dealt in a general way with some of the questions—

Mr. Grégoire: Mr. Chairman, may I ask the minister on what date the Minister without Portfolio made those remarks, because I should like to ask for a copy of *Hansard* for that date?

Mr. Sharp: I certainly suggest that the hon. member for Lapointe should read those remarks and digest them over and over again. If after a time they begin to penetrate I think my colleague the former minister of finance will have made a great contribution to the discussions in this house and to the enlightenment of our Social Credit friends. The former minister of finance, in the course of—

Mr. Grégoire: Mr. Chairman, may I again ask the minister to give us the date?

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Bank of Canada Act

Mr. Sharp: Yes, I will be very happy to do so. I refer to *Hansard* of June 14, 1965, beginning at page 2373 and continuing to about page 2376 where there is an excellent and very sympathetic discussion of the errors of Social Credit. However, Mr. Chairman, I shall not put these remarks on record again but shall attempt to deal with the specific questions—

Mr. More: That was just before he voted for Social Credit theories.

Mr. Sharp: —which the hon. gentleman put to me last night and again today. Perhaps I ought to begin by saying that most of the suggestions that have been made from the Social Credit corner of the house are not—

Mr. Olson: Mr. Chairman, may I remind the minister that the hon. member for Lapointe is not a member of the Social Credit party.

An hon. Member: He is a separatist.

Mr. Sharp: The hon. member for Lapointe and the other Social Crediters—shall I put it that way. These proposals, which as I say were discussed at some length by my colleague the Minister without Portfolio a couple of years ago when a similar act was under discussion, are really not needed in order to enable the Bank of Canada to carry out its monetary policy function of having an influence on the over-all credit situation in Canada. Nothing that I have heard during this debate has led me to believe that the Bank of Canada has inadequate powers in this respect.

● (5:20 p.m.)

Views may differ from time to time. I have heard some views expressed here that the government has not followed monetary policies that were entirely suitable to conditions. I have also heard some criticisms of the governor of the Bank of Canada. This is natural. As I have said in reply to a question put by the hon. member for Lapointe when we were in committee, which he has quoted on a number of occasions, I believe that these are questions of judgment. Of course he has quoted a much more illustrious man than I, namely a former governor of the Bank of England who put it in terms of feelings and flair. I refer to simple words like judgment. I am very interested to see that my hon. friend has given even greater prominence to that very famous governor of the Bank of England. However, I am quite content to say I believe that in these matters a certain amount of judgment is involved.