

The Address—Mr. Berger

true nature of money, when it was realized that paper money had as much value as coins.

After the British took over Canada, we witnessed an evolution of the banking system. In 1817, before the Bank of Montreal was founded, there were various private banks, which were issuing bank notes without any legal authority.

Between 1820 and 1830, the creation of several banks which issued their own notes helped to fill a need. What guarantee was there for those notes? We hardly know, because there was no legislation to control this. Yet, seeing a bank's name on the notes, people had confidence in them and they were accepted as a current means of payment. They were legal tender.

After confederation, the government passed the Bank Act. The provinces had handed over to the federal government the exclusive right to legislate on monetary matters. The new Bank Act, which was amended in 1870 and 1871, maintained the privilege of chartered banks to print or issue bank notes.

However, besides the bank notes issued by each operating bank, there were some notes issued by the Dominion of Canada, in accordance with the Bank Act of 1868. Dominion bank notes were legal tender, while the notes issued by the chartered banks were acceptable currency. In fact, notes issued by chartered banks were handed to borrowers, and were considered to be legal tender everywhere; proof of this is that they were issued until 1935, when the Bank of Canada was instituted.

Mr. Speaker, I have to shorten my statement here. I hope to have further opportunities to expound my arguments, for I think it is in the interests of Canadians to know in every particular what constitutes the Canadian banking or financial system.

It must be said that bank reform has now entered a stage which will be carried out until completion because more than ever the Liberals feel that such a reform is needed. They know that the administration of the country is getting increasingly difficult because of our outdated financial system which is still based on the theories of Ricardo and Malthus. That era is over now; this is 1964 and we can no longer operate with a system which prevailed 150 to 200 years ago.

On June 14, 1963, I showed that the Liberals participated on some occasions in that monetary reform. Indeed, the Conservatives also contributed to it, although they were perhaps forced to do so, but both parties took part in it. However, as the Liberals have been in power for a longer period of time, they have had the opportunity to do more in that connection.

In my opinion, as parliamentarians become more and more conscious of the economic needs of our country, they will be more willing to take measures which will promote the economic expansion of Canada, in the domestic as well as the international fields. It is unthinkable that such a vast and rich country as Canada should be faced with financial problems as ridiculous as those we encounter at this time.

Mr. Speaker, may I call it one o'clock?

[Text]

Mr. Deputy Speaker: Order. It being one o'clock I do now leave the chair.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Winch: I see a quorum, Mr. Speaker.

[Translation]

Mr. Jean Berger (Montmagny-L'Islet): Mr. Speaker, I am pleased once again to make the voice of Montmagny-L'Islet heard in this house. It also gives me pleasure to join with all previous speakers in warmly congratulating the mover and the seconder of the address in reply to the speech from the throne. In my opinion, they carried out their task with moderation, tact and wisdom and especially with a self-confidence worthy of the most eloquent old timers in this dignified assembly.

Judging by the atmosphere prevailing at present and by the general tone of the opening speeches, it seems that the present session should normally prove fruitful in every respect. Besides, the Canadian people expect nothing less from us.

No matter what some people may think, the speech from the throne, which is well adapted to our times, indicates that we will have a lot of work to do and that we will be called upon to enact fine legislation. Indeed, there is every indication that the present government is concerned about farming, fisheries, labour, industry, unemployment, the standard of living, in one word everything which contributes to the welfare of the Canadian people.

It should be noted that our international policy will not be neglected for all that. I admired the frankness of the government which is conscious of its responsibilities and of the difficulties it will encounter. To solve them, the co-operation of every level of government, of business firms, of unions and especially of all Canadians will be necessary.

It is also to be hoped that the work of the opposition parties will be efficient and will