HOUSE OF COMMONS

Friday, January 17, 1969

The house met at 11 a.m.

ROUTINE PROCEEDINGS

TRANSPORTATION

ATLANTIC PROVINCES—STUDY OF PROBLEMS BY STANDING COMMITTEE

Hon. Donald S. Macdonald (President of the Privy Council): Mr. Speaker, there have been certain discussions in various corners of the house with regard to the work of the committee on transport and communications. It has been agreed that it might be desirable if that committee were to make a detailed study on the spot of transportation problems in the Atlantic provinces. I therefore ask the leave of the house to present a motion in this regard.

Some hon. Members: Hear, hear.

Mr. Macdonald (Rosedale): I move, therefore:

That the standing committee on transport and communications be empowered to consider and report upon the problems of transportation in the Atlantic provinces and that for the purposes of its inquiry the committee be empowered to adjourn from place to place within Canada and the clerk and the necessary supporting staff be authorized to accompany the committee.

Motion agreed to.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, on behalf of the opposition party I should like to say that we welcome this announcement very much.

ORAL QUESTION PERIOD

FINANCE

BANK ADVERTISEMENTS TO ATTRACT BORROWERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance, and welcome him back to the house after his expedition last evening. Today I wish to ask him whether he is concerned about the advertising campaign of the chartered banks in which they urge Canadians to borrow from the banks to buy convertibles and other items which they may desire, and to use bank credit freely for spending purposes.

In view of the inflationary pressures and inflationary psychology of the country, as well as the difficulty in the capital markets, is the minister concerned about this? If so, I should like to know whether the minister has discussed this with the banks and whether he believes it is in the public interest for the banks to be urging Canadian individuals to borrow for anything they may desire. I consider this question particularly appropriate when I notice the pressure of the banks in constantly urging Canadian governments to live within their means, and not to borrow freely.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I find the views of the Leader of the Opposition very interesting. As he knows, banks have been competing with one another and with other institutions very aggressively for consumer loans. I presume that part of the advertising to which he has referred, and incidentally I have not seen it recently—this morning, at least—is to attract business from other consumer lenders. The over-all effect of this has been a reduction in the rate at which consumer loans have been made to the public in the past year or so. As the Leader of the Opposition has mentioned, and the President of the United States has done this also, we have urged people in Canada not to spend freely. I was very interested in his comment that banks castigate governments for spending and then turn around and encourage the public to spend.

THE CANADIAN ECONOMY

WATKINS REPORT—GOVERNMENT ACTION TO PROTECT ECONOMIC INDEPENDENCE

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Acting Prime Minister this question. In view of a speech made recently by the Secretary of State in New York, again emphasizing the need to protect Canadian economic independence, is the government considering legislation to implement aspects of the Watkins report to provide that Canadian firms, which are subsidiaries of American companies, are free to