

Bank Act

remember that the present act under which the banks operate, which is really their charter, has existed for almost 13 years instead of the 10 years originally proposed and that many changes have occurred during its existence. It seems to me that we had a two fold duty, to examine the situation which has existed for the 13-year period and then to arrange for something which will be an improvement over the old act in the light of all the changed conditions and the great growth which we have seen in our domestic and export trade.

The members of the standing committee considered all these matters very seriously and with great responsibility. I must say I was greatly impressed with the membership of the committee. I associate myself to the fullest extent in the remarks made concerning the chairman of the committee. He handled the committee very well, with great impartiality, fairness and ability. The same words apply to the hon. member for Quebec-Montmorency, the vice chairman. May I say that when the hon. member for Labelle took the place of the vice chairman he carried out his duties with great distinction.

We are talking about the Bank Act and everybody is interested in the Bank Act. We in this house are considering that act, its different phases and what it will do for us in the next ten years. But, Mr. Chairman, I do not believe we can expect any bank act or any bank to solve our problems. We must remember that we have other duties and responsibilities and that the Bank Act and the banks can only be considered as being instruments that we can use to make this country an even greater nation than it is today. That is the way we should face the question of the Bank Act. I repeat that every member of the standing committee seemed anxious to see the act amended in such a way that it would conform to the banking needs of Canada in this world. We all had that in our minds. We had many meetings and before we got through we had made many amendments. Generally speaking, I believe the amendments are an improvement.

I was much impressed with the great knowledge possessed by the governor of the Bank of Canada. He showed that knowledge on appearing before the committee. We are fortunate to have a man of his calibre, capacity and ability at the head of the Bank of Canada.

Some hon. Members: Hear, hear.

Mr. Flemming: The Bank of Canada has operated since 1934 and it has seen many changes in this country. As we all know, the functions of the Bank of Canada are economic as well as financial. It has great influence. At one time during the depression, in the early 1930's, I was told that the depression might have been prevented had there been some machinery at that time to control the money supply. I am not arguing whether the depression could or could not have been prevented. I simply repeat the proposition I heard many times, that had there been the machinery to handle the financial structure of this country much of the depression might have been avoided or it might have terminated sooner.

Our committee, it seems to me, was faced with certain questions which it had to determine and in the committee of the whole house we face the same problems. Does this bill as amended contain adequate and appropriate provisions for dealing with the changes which have taken place since 1954? I need not mention the changes except to say there is no doubt that there have been changes. I was not here in 1954 but I suggest that if one were to go back and look at the budget for that year one would find government expenditures lower by several billion dollars than they are today. Surely we are dealing with a different financial climate, are we not?

● (5:40 p.m.)

The other day the estimates for 1967-68 were tabled in the house. I happen to be one who deplores the fact that governmental expenditures have increased so fast. I happen to be one who thinks that governmental expenditures should be provided for by taxation as we go along. I commend the Minister of Finance on the fact that just recently he imposed taxation to take care of a certain situation which was going to cost a few hundred million dollars. I have no hesitation about saying so. But I maintain that in the light of conditions today we must consider the changes which have come about since 1954 and ask ourselves whether the bill before us is adequate to take care of the situation as it will develop during the next ten years during a period in which we hope and pray we shall continue our growth in an economic sense and in the sense of the contribution we make to the general improvement of the well-being of all people in the world.

The committee has made many amendments. Let us hope these amendments will be sufficient to make this bill one which will have a great influence on the well-being of all