

This investment counselling firm also pointed out:

... if such venture capital investments could be offset in full against other income, and besides the tremendous impact on the short and long term economy, there would be no negative effect on government tax revenues. To test this assertion, Peter Henry Jerch and Associates conducted a detailed survey of 40 smaller Canadian owned companies located in Ontario, Manitoba, Alberta and B.C. The survey delved into nearly every aspect of a company and included a review of financial statements and books, a review of management ability to carry out a proposed strategy, and a study of product viability and historical projected market acceptance. Detailed summary tables were drawn up based on the results of this in depth review.

They go on to give statistical information on how they could expand and the number of jobs they would create if they could receive additional venture capital which they cannot obtain in this country and which, as the minister pointed out in his white paper, is one of the top requirements in this country. But apparently we will have to wait until unemployment goes up, more businesses leave and more investment capital leaves the country. Then the government might get around to bringing in revisions of the Bank Act. This is a ridiculous situation although, as I said at the beginning of my remarks, we could go along with a further extension of the Bank Act if the legislation is tabled now and businesses, credit unions and banks across Canada have this document to study so they can prepare themselves.

Therefore, Mr. Speaker, I cannot support the delay for which the minister asks. I hope he will read the remarks that were made today by the hon. member for Edmonton West (Mr. Lambert), by myself and by others who will speak later. I hope they will be forceful also in demanding that this irresponsible minister table the Bank Act immediately, instead of making ridiculous statements in the House that he looks good.

**Mr. Bill Kempling (Halton-Wentworth):** Mr. Speaker, I would like to say a few words about Bill C-16 which is before us, the purpose of which is to extend the Bank Act for another year. My colleague, the hon. member for Winnipeg South Centre (Mr. McKenzie) and the hon. member who spoke prior to him, the hon. member for Edmonton West (Mr. Lambert), both expressed my views clearly on why we are debating this bill when, as they have said, we should be debating the new Bank Act. I know that the minister, the people in his department and most of the people in the private sector to whom I spoke look upon the revised Bank Act as the basis for any economic recovery which will occur in Canada. We have all read the white paper on banking and the proposed changes to the Bank Act. We know that the legislation is ready and has been for some time.

**Mr. Chrétien:** This is not true, it is not ready.

**Mr. Kempling:** Perhaps we have been misinformed, but we were informed in January that the Bank Act is ready and that we might possibly be debating it—

**Mr. Chrétien:** With the permission of the hon. member I would like to tell him that if the bill were ready, I would be tabling it. The bill is being drafted at this time by the Department of Justice. I am as frustrated as the hon. member

### *Bank Act*

that the bill is not ready. We had a long debate after the white paper was brought forward, we had more representations and some changes had to be made. Since the bill is not ready, I am not tabling it. It has not come back to me in its draft form.

**Mr. Whiteway:** That is the problem. The bill is not ready.

**Mr. Chrétien:** I said that in the committee about two weeks ago. I know that when the hon. member said the bill was ready, he was probably using information he had, and I wanted to correct his wrong impression.

**The Acting Speaker (Mr. Ethier):** I am sure the minister wanted to rise on a point of clarification, but this does not justify a point of order.

**Mr. Whiteway:** That is the problem, it is not ready.

**Mr. Paproski:** Nothing is ready over there.

**Mr. Kempling:** I thank the minister and I accept his explanation that the bill is not yet ready. What I was referring to was information that we had in January to the effect that the bill was ready, had been drafted and approved; and, I might go on to say, we were even told that it followed the white paper very closely with few changes. I am referring to the white paper which was presented in August of 1976. We were told that that is the sort of bill we would be seeing. So I was not just spreading an idle rumour; I was speaking on the basis of pretty good information.

However, now that we are talking about the bill not being here, let me point out that the bill was being considered in 1973, 1974 and 1975. Here we are in 1978, five years after the bill was first considered, being asked to extend the existing legislation for another year to give the government a chance to bring in revised legislation. It is particularly important because people in the private sector are being pressured by the government to stimulate employment, to expand their plant facilities, to help pick up the slack in unemployment, to help export more products, and to offset our balance of payments deficit. The reason for not doing this, aside from the general economic condition, is the severe difficulties they have in obtaining adequate financing through our banking system.

In the last ten years, the ability to accumulate wealth has dried up. Normally, one could go into the stock and raise capital in order to spawn a new industry or enlarge an existing one, but that facility is not available today. The result is that we have to rely on what was traditionally a short-term money market for long-term investments. When we have difficulty getting those commitments out of some of our banks because of restrictions in the existing Bank Act, that is one of the major reasons for the absence of an upsurge in economic activity in Canada.

● (2022)

We need a variety of financial institutions in Canada. After reading the white paper on proposed changes to the Bank Act and on proposals regarding the credit union movement I was concerned. I suggest to the minister that possibly we need two levels of financing. Perhaps we need the level of our ten