

Co-operative Credit Associations Act

branch who deal with 15 to 20 prisoners, not in the custodial sense but, rather, who deal with their problems not only in relation to their sentence but the environment from which they came and the environment to which they will be discharged. It seems to me that no minister can feel very proud of the operations of the National Parole Board or the penitentiary service until he begins to solve the problems of people that cause them to go to jail in the first place. He must understand the social conditions that created the environment which resulted in their going to prison. I refer in particular to the large influx of prisoners into penitentiaries today because of drug offences. Members of this House have had their heads in the sand on the matter of drugs. Other countries have examined the problem and done something about it. We have examined it very little and have done very little about it, though I am appreciative of the fact that some judges have used their own discretion on the subject of parole.

I shall not move an amendment on second reading, but I do suggest to the minister that unless he is prepared to make some changes to the membership of the parole board, amendments will be moved at committee stage or in the House. If no changes are made to the bill, then certainly I shall not support it.

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Mr. Peters: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

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CO-OPERATIVE CREDIT ASSOCIATIONS ACT**AMENDMENTS RESPECTING DEFINITIONS, MEMBERSHIP, INCORPORATION, OBJECTS AND POWERS**

Hon. Jean-Pierre Goyer (for the Minister of Finance) moved that Bill C-183, to amend the Co-operative Credit Associations Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (1510)

[Translation]

Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this bill provides for some amendments to the Co-operative Credit Associations Act which governs the operations of all federally incorporated cooperative credit associations, as well as central provincial credit unions that come under the act by becoming members of such a corporation.

At the present time, there is only one federal corporation, the Canadian Co-operative Credit Society, set up by a special act passed by Parliament in 1953, members of which are the provincial central corporations of British Columbia, Saskatchewan and Manitoba. The Ontario Co-operative Credit Society was a member until its recent merger with the Ontario Credit Union League Limited,

[Mr. Peters.]

and the new organization thus created has submitted an application. Some applications have been received from Nova Scotia and Prince Edward Island, and we have reasons to believe that others are forthcoming.

This bill is essentially a response to the request made by the federal agency and its members to amend the act by updating it and allowing the Cooperative Credit Associations, which are at the present time or may eventually be governed by it, to meet more effectively the changing needs of the cooperative movement, while maintaining adequate financial guarantees.

When the Co-operative Credit Associations Act was initially introduced in the early '50s, it provided not only for formation and operation of Co-operative Credit Associations at the federal level, but granted a federal charter to provincial branches which wanted to be incorporated under this act. This was an excellent association for establishing standards aimed at maintaining provincial branches in a sound financial position. I must say that this is the second time amendments have been proposed to this act since it was adopted. The preceding amendments brought forward in 1969 were also intended to help the association and provincial organizations to pursue their healthy and orderly progress under the conditions prevailing at that time.

The present amendments have four main objects: First, increase the possible membership in the Canadian Co-operative Credit Association as well as in the other associations which could become corporations holding a charter from the federal government. Secondly, increase the investment powers of the co-operative credit associations so that they would be more in accordance with those of other financial institutions. Thirdly, extend other co-operative powers to enable central credit co-operative associations to attend more satisfactorily to the needs of the credit co-operative movement. Finally, to provide for the possibility of granting urgent loans to meet the liquidity needs on the part of the central credit associations and of the provincial organizations created in order to grant a financial aid to the credit corporations.

Several other proposals are included in this bill, proposals which do not belong to the four main groups mentioned above. One of them provides for an amendment in order to legally establish credit cooperatives at the federal level. At the present time, new credit cooperative associations can be incorporated only through a special law of Parliament, although the amendments brought forward in 1969 to the Canada Corporations Act provided for the possibility of bringing some changes in the federal laws governing federal associations by means of patent letters. The proposals to amend the constitution methods are similar to those incorporated during the last few years into the legislation on insurance, trusts and loans. One should also mention here a project to extend the credit cooperative associations' control system, so as to enable the superintendant of insurance to administer the assets of an association under the guidance of the minister, should it be necessary, so as to protect the association. The superintendant would also have the power to administer temporarily the assets of an association if it turned out that some assets were lacking or were not reported properly. These provisions rank with the existing legislation on other