

Bank Act

[English]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion? All those in favour please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negated on division.

Motion No. 51 (Mr. Stevens) negated.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 53

That Bill C-6, an act to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be amended in clause 2 by adding immediately after line 35 at page 321 the following new paragraph:

"(b) with the approval of the Inspector General of Banks, in relation to a business that, although engaged in financial activities, does not compete with banks incorporated under this act in both lending money and accepting deposit liabilities;"

and by renumbering the subsequent paragraphs accordingly.

Mr. Knowles: Question.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker—

An hon. Member: Not again.

An hon. Member: Give us a break.

Mr. Lambert: Mr. Speaker if the hon. member requires a break, all he has to do is withdraw. It might improve his knowledge of banking!

This amendment would allow the use of the term "merchant banker" upon application to the Inspector General of Banks. There are certain prohibitions about using the word "bank". There are individuals in this country, however, who carry on the business of merchant banking and they would like to be able to advertise themselves as such.

If we are to build a fully mature financial system across the country, we certainly need merchant bankers. London, Frankfurt, New York, Paris—all the financial centres of the world have merchant bankers. I do not know whether it is because we have a boy scout attitude in this country, but for some reason we have excluded merchant bankers—and to the detriment of

our economic system. Merchant bankers from other jurisdictions have been encouraged to come to Canada under representative offices. They lend money, and then join the boards of Canadian firms; that is the function of the merchant banker.

I seek the approval of the inspector general for that action, Mr. Speaker. The other conditions do not require the approval of the Inspector General. It seems to me that we could certainly use the title "merchant banker".

[Translation]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, if I may, I shall say very briefly that I am certain that the hon. member for Edmonton West (Mr. Lambert) is aware that I am very sympathetic to his amendment. Moreover, he knows why we must restrict the use of the term "bank" in the legislation. He knows that this is at the source of the difficulty that we have in defining the word "bank" and the expression "banking operation". I recognize these difficulties.

If we accepted the amendment, it is very obvious in my opinion that a very great number of financial institutions could fall under the limitation of operations defined by the hon. member for Edmonton West and that the Inspector General of Banks would receive a great number of applications to be designated as a bank. I know that the hon. member for Edmonton West is thinking of a particular case. However, other cases could occur if the amendment were accepted. The hon. member knows quite well that this limitation is related to the very nature of the legislation, as I have said, to the type of definition that we are using and to the control that we want to have over banking institutions. Finally, he also knows that to protect the public it is important that we should restrict use of the term "bank" to the institutions covered by the present legislation.

● (2140)

[English]

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Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Some hon. Members: On division.