

Quebec Savings Banks Act

Motion agreed to and Bill read the first time.

The Acting Speaker (Mr. Batten): When shall the said Bill be read a second time?

Some hon. Members: Now.

Mr. Grégoire: No.

The Acting Speaker (Mr. Batten): Next sitting of the House?

Mr. Grégoire: Next sitting of the House.

QUEBEC SAVINGS BANKS ACT**DECENNIAL REVISION AND EXTENSION OF POWERS**

Hon. Walter L. Gordon (Minister of Finance) moved that the House go into Committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the decennial revision of the Quebec Savings Banks Act and the extension of the powers of the existing savings banks till July 1, 1975, and to provide further for certain changes in connection with the administration of the Act.

Motion agreed to and the House went into Committee, Mr. Batten in the Chair.

Mr. Gordon: Mr. Chairman, the bill to be based on this resolution provides for the revision of the Quebec Savings Banks Act under which two savings banks operate, one in Montreal and one in the City of Quebec. This bill follows, wherever appropriate, like provisions in the bill to revise the Bank Act, and many of the administrative changes proposed in that bill have been incorporated in this one as well. I shall be pleased to give a more detailed explanation when the bill is before the House for second reading; and after it has been given second reading I shall move that it be referred to the Banking and Commerce Committee.

The Deputy Chairman: Shall the resolution carry?

Mr. Howard: Mr. Chairman, because we are in Committee I think the rules will permit a question to be posed to the Minister which, if he has time, I think he will be able to answer. Are banks which are incorporated under the Quebec Savings Banks Act, banks in the same sense as, say, the Bank of Montreal? Is it permissible for savings banks, for the sake of argument, under this Act to do business in British Columbia, just as an example?

Mr. Gordon: There are important differences, Mr. Chairman. The banks that are incorporated under the Bank Act have more

powers and can do a lot of things that the banks incorporated under the Quebec Savings Banks Act are not entitled to do. I would prefer to answer more detailed questions when the bill is before the House, if I may.

• (9:40 p.m.)

Mr. Howard: Just one other question, if I may, Mr. Chairman. I can appreciate the desire of the Minister to deal with this matter when the bill is before us, when we will be able to see it in black and white, but it would be helpful if the Minister would point out which provisions relating to the Bank Act, the resolution regarding which has just been dealt with, are also applicable to the Quebec Savings Banks Act. For instance, the provision about interest rates, the one about provincial government participation, the one about mortgage lending and the like.

Mr. Gordon: Perhaps I might briefly summarize the provisions of this bill. The principal features are, first, the extension of the banking powers of these two banks for a further period of 10 years up to July 1, 1975, to conform with the period for the decennial revision. Second, the provision to prohibit after July 1, 1970 the election or appointment of a person to be a director if he has reached the age of 75. That was something which was incorporated into the Bank Act some time ago.

Mr. Howard: Will he be sent to the Senate then?

Mr. Gordon: I do not know what will happen to him. I am rapidly approaching that age myself so I will have to look into this. Third, a provision to permit the banks to fix any price on new issues of shares which is not less than \$1 par value. That is something which can be done under the Bank Act. Fourth, provisions with respect to resident, non-resident and government ownership of shares of savings banks, which are the same as those in the bill to revise the Bank Act and which I dealt with briefly at the resolution stage of the previous bill. Fifth, an increase in the amount banks may lend on conventional mortgages and, sixth, an increase in other lending and investment powers.

They are the main provisions of the bill. The Royal Commission on Banking and Finance recommended that the savings banks be given the same powers as the chartered banks. However, these banks have expressed no wish to extend their operations to include commercial lending but prefer to carry on under their own Act as in the past.