

An hon. Member: You are not supposed to be talking to the television cameras.

Mr. Lambert: I know. But some of the hon. members here might as well be part of that television audience because, frankly, I do not believe they have looked at this bill in its entirety. It is in four parts.

An hon. Member: Read it.

Mr. Lambert: The hon. member may die of old age—and it is premature old age because he is still young in appearance—and in mentality.

Some hon. Members: Oh, oh!

Mr. Lambert: There is the Bank Act. Incidentally, the Bank Act is not just a general act, it serves as the equivalent of a memorandum of association or letters patent of all existing chartered banks and it is not, therefore, a document to be treated lightly. It is the charter of their operations. Then there are amendments to the Quebec Savings Banks Act which cover only one institution, the Montreal District Savings Bank. Then there are amendments to the Bank of Canada Act, and finally there is part IV which deals with the creation of the Canadian Payments Association. This in itself is a most complex and difficult study because it is the point of departure as far as the whole business of this legislation is concerned.

I do not intend to talk at this moment about part IV, though. I want to talk about the Bank Act and, as I said, I want to talk about the report of the committee of this House tabled a little over a year ago which, incidentally, was about 80 per cent incorporated by the Department of Finance and put together in the presence and with the co-operation of the Inspector General of Banks. A lot of the points were negotiated with him. I can tell you, Mr. Speaker, and the Solicitor General will tell you, that members both on this side and on the other side of the House, in the spirit of putting together a workable document, negotiated privately and arrived at a consensus, a communality of opinion. The administration which took office in June of last year did not entirely share our views in certain respects. They had the benefit of the views of our colleagues in the Senate whose opinions may have varied from ours. We do not claim we have a monopoly on sagacity. But we believe we arrived at a pretty fair solution. I should like to outline to the House the areas in which we take issue with the present bill and the former administration.

First, as to the business of banking. I have often looked upon government on the national scene as though it were a referee in a hockey game—I understand there are some hockey games starting just about now. We have all watched professional hockey, and we have always known that if the referee in the first period is lackadaisical and allows elbows, high sticks, boarding, and generally rough play, by the second period the boys are into the act and the situation is no longer under control. The situation has got beyond him, and we have precisely the same situation here.

Bank Act

By the refusal of the Parliament of Canada to define the business of banking we have allowed chaos to pile upon chaos, and precisely for those policies that the New Democrats would like to see, the Government of Canada is as impotent as a eunuch to act because there has been a refusal to define the business of banking and the word “deposit”. So the Government of Canada says, “This is the jurisdiction with regard to money and banking. Let it be known.” It has been sniped at, it has been pulled at, and, frankly, what have we got? Oh, the chartered banks’ operations work rather well, but I invite the hon. minister to go into Montreal, Toronto, Calgary, Edmonton or Vancouver—I think I have named the five principal financial centres in the country—to see the foreign banks operating, from one extent—the suitcase operators—all the way through to the 15 or 18 branches of the Bank of America in Newfoundland, not under the name of the Bank of America but the First America.

● (2030)

[Translation]

What do we say about the Bank of Paris in Montreal, Calgary and maybe elsewhere?

And what do we say about the Bank of The Netherlands and the Bank of Switzerland in Montreal? Mr. Speaker, I do not object to the operations of those people.

[English]

One of my colleagues is going to talk about the financing of heavy construction equipment and the foreign bank agency which was the only one which was able to take it on because it quoted a lower price. That is competition, and a number of managers in our chartered banks have told me they were beat out on this deal or that deal by representatives of foreign banking interests. The problem there is that neither side is protected. It is the black market of finance. Neither is the foreign banking operator protected by supervision, and particularly by the representatives from the left who seem to think that everything has to be on the tabletop so they can examine all the guts. I do not know what visceral satisfaction they get out of it, but they cannot see the operations of these foreign banking interests.

Our Canadian clients are not protected. You do not know what sort of deal they are in, and when I look at foreign banking interests and talk to them, as I have done with the Swiss, I ask, “What protection have you got here? You are not under any act. You do not have section 88. You have nothing except taking action in one of our courts against possibly a man of straw”.

“Yes”, they say, and I say, “All right, and how does that affect your interest rate?”

“Well, we protect ourselves against that”. So therefore where do you think bridging loans or factoring gets to except at higher interest rates, which are a protection against risk? And who supports the bottom line? The Canadian enterpriser, who has to resort to that. And who then picks up the real bottom line but the Canadian consumer?