

Bank Act

pages and that it requires a great deal of study. Obviously this could not be done in time for parliament to deal adequately with all the problems between now and July 1.

Therefore I think it is perfectly satisfactory that this resolution should be adopted and that a year's extension should be given. As the minister said, possibly by next fall we can enact the necessary legislation. Quite properly he is allowing some cushion there for discussion and debate, so that we have a year in which this matter can be dealt with by parliament. After all, the Macmillan commission in the early 30's was the last one to make a really thorough and intensive study of the problems of the banks of this country, and it is high time that we gave careful consideration to their problems again. This is what is proposed by the minister, and as far as we in the opposition are concerned we approve entirely of the procedure he has set forth.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, we in this party also heartily approve of the action of the minister in extending the time, because it is obviously necessary that it should be done. In considering the decennial revisions of the Bank Act it is interesting, as one looks back, to note the differing themes of each decennial revision indicating each time, I think, an increase in the knowledge of the operations of our monetary and banking system, and it is perhaps to be hoped that we shall also improve our knowledge this time. On the occasion when I had the privilege of taking part in the revision of the Bank Act some 10 years ago the proceedings almost took the form of a seminar in monetary and banking matters, which I know was extremely educative to me and I think to many other members of the committee. I am hoping it will be that way again.

There are some questions I would have liked to ask the minister. There are three bank charters that either have been before one section of parliament or are on the way, we are told, and I wonder whether the government has considered not granting any new charters until the decennial revision is completed. There are some very interesting developments there which will bear watching. There is the question of the position of a provincial government with regard to banking. I, myself, think it is rather a good development. My only misgiving is that it comes from my own province and I have some doubts about the personalities that will be involved.

I suspect that this type of decentralized banking, if it is agreed to by the government, will not stop with the province of British

Columbia. It may well be that if it is established on a sound basis, and if these banks are supervised as carefully as the present chartered banks are by the inspectorate, they may very well make a great contribution to the country at this time. They may perhaps help to solve some of the financial problems that provincial governments have today, because they are struggling to get a larger share of the tax revenues, as we heard this afternoon. They will at least have this effect, that the deposits made by the citizens of the various provinces, particularly the western provinces, will then be available as a basis for extending credit for economic development in those provinces rather than, as has been the case, forming the basis for extending credit in the highly industrialized central part of Canada. This, I think, is a very useful role for them to play. It would be interesting to know whether the government is going to put all these applications on ice until the revision has taken place or whether they will consider going ahead with granting the new charters.

There are two other new charters for which application will be made. One is a private group seeking a bank charter in western Canada. The other is a strange application to transfer a small loan company into a chartered bank, or at least have it associated with a chartered bank. This is a proposition I find very intriguing, and I should like to know just what is behind it.

In so far as the Porter commission report is concerned I, like every member of the house, glanced at that heavy tome and staggered back, and have only been able to deal with a very small portion of it. I have come across some rather disturbing suggestions which I hope the minister will view with some alarm and misgiving, such as taking the lid off interest rates on bank loans and the suggestion that trust companies and other financial institutions that do not now enjoy the privileges of chartered banks be accorded bank status. This seems to be, in effect, the recommendation. Perhaps this might be a little confusing, and I hope these suggestions would receive very serious consideration before being accepted by the government of the day.

I believe that is all I have to say at this time, Mr. Chairman, on this extension of the time limit for chartered banks and for the bank of Quebec. Like many other members in this house, I hope to be a member of that committee. I am looking forward with great interest to the hearings before the committee on the revision of the Bank Act.