

Senator Smith: A long time ago, anyway.

Senator Walker: He is a great friend, and someone who knows politics inside and out. For many years he was a member of the dominion cabinet—as far back as Mackenzie King, if I am not mistaken.

Senator McIlraith: No, I was not in cabinet then.

Senator Roblin: You should have been.

Senator Walker: We had Senator Dan Lang, and we had Senator Cook, one of the most honest men produced in the Province of Newfoundland, and a very distinguished man, whose father before him was one of Her Majesty's Privy Councillors and also a Knight of the Realm. We had Senator Buckwold of Saskatchewan and Senator Lafond, and many, many others. Then there was Senator Molson, probably one of Canada's greatest businessmen, and the leader of the great independent party in the Senate, made up of himself, himself and himself. But what a power he is, wherever he is, and how he participates with Liberals and Conservatives—and he doesn't seem to make very much distinction as to who is who.

The Bank Act is subject to a sunset clause. That seemed an odd term to me. I tried to figure out why they call it that. I do not know where it originated, unless it assumes that the sun sets and it is always going to rise again. In any event, it has not become a parliamentary phrase.

So this Bank Act will have the sun set on it every 10 years, and then it is going to rise again. It takes an awful long time on occasion. The sun was supposed to rise on the present one back in 1977, and here we are in 1980 and we are only now getting ready for it.

We have the excuse, of course, that elections have intervened; but it would be a tragedy if there were a further delay beyond November 30 next.

I am not going to go into the bill in depth, but I would like to refer briefly to the incorporation of new banks. This is very, very important.

I regarded with suspicion the whole proposition of allowing foreign banks into Canada. The Americans are, of course, so able in whatever they do, I wondered what they might do in the banking field in Canada. The creation of the new banks seems to be working out nicely. There is set down a very strict procedure which they must go through. Under the new amendment worked out by the Senate, the regular procedure is provided whereby letters patent can be applied for, to enable the applicant to use the designation "bank," after which it is then subject to the Canadian banking legislation in the same way as a Canadian bank.

The Senate is responsible for much of what is contained in this legislation. Under Bill C-6, public hearings must be held by the financial institution applying to become a bank. It is important that that should be so, and it is important that any such institution should have to apply for letters patent. It is also important, I suggest, that such institutions do not get a licence for a period of more than one year and that they have to go back each year for the renewal of that licence. So if there is any jiggery-pokery going on, or anything too slick or wrong,

or anything in contravention of the act or in contravention of good business practices, the particular bank can be cut out. After five years of renewing their licences annually, the licence term is then extended to three years.

So I do not think we need to worry about foreign banks operating in Canada. They are going to be well supervised, and I am sure most of them mean well.

If I appear to pause here, it is only so that I can pass over those matters that have been dealt with so brilliantly by Senator Hayden.

Another amendment which has been thoroughly thrashed out in our committee and to which I would like to refer for a moment can be found in clause 178(6) at page 190 of Bill C-6. This makes provision for claims by agricultural producer groups, such as the Canadian Agricultural Federation and the Canadian Cattlemen's Association, to have priority to the rights of the banks in respect of all agricultural products. This is important and is something we should have done for the farmers long ago.

● (2220)

There is a further amendment to which I would have liked to refer relating to financial leasing for household effects, but it was dealt with by my friend.

A further amendment pertains to the financial leasing of automobiles. That, too, was dealt with by my friend. Clause 193 of the bill prevents banks from engaging directly in financial leasing of motor vehicles holding a permit to be used on public highways with a gross weight of less than 46,000 pounds. On the face of it, I wonder whether that is being fair to the banks, but I am not going to make any further comment on it at this time. In any event, nobody can say that it is not fair to those who are in the habit of financing the leasing of motor vehicles.

In conclusion, honourable senators, I should like to say that this bill has been tidied up enormously, and many parts of it would not be recognized in the original bill, Bill C-57, which was introduced in 1976.

We also must agree that the House of Commons Committee on Finance, Trade and Economic Affairs, which is a counterpart of our Banking, Trade and Commerce Committee, is open to sincere congratulations for the contributions which it has made. It is nice to be associated with the members of that committee so that they can realize, as they so often must do, what an able body the Senate of Canada is.

I agree with my learned friend, Senator Hayden, that the time of this house would be saved by sending this bill to the Standing Senate Committee on Banking, Trade and Commerce tomorrow, where honourable senators can ask any questions they might have. I agree with Senator Frith, who is turning out to be a good Deputy Leader of the Government, that we should co-operate in getting this bill through committee tomorrow so that it can be reported back to the house for final approval and thus avoid any slip at this particular time.

Honourable senators, that is my small, humble and modest contribution to this debate, but may I take this opportunity to