

*Bank Act*

**Mr. Lambert:** If any individual representing financial interests, or an individual trying to put together financial interests, were to come into the office of a solicitor engaged in corporate business practice and say, "We want to carry out certain operations. Can you tell us whether they infringe the restrictions on the business of banking?" An honest solicitor would say, "I cannot tell you because section 295 of the act says that a non-financial affiliate of a foreign corporation cannot engage in the business of banking." Well, what on earth is the business of banking? At 5.30 or thereabouts the hon. member for Broadview-Greenwood quoted from a Manitoba judgment. I think that judgment is out to lunch.

**An hon. Member:** So are the NDP.

**Mr. Lambert:** No, the judge was. He said the business of banking is that which bankers carry out. In Alberta we have Alberta treasury branches. They carry out every function that a chartered bank does, and they sell gaming licences. At one time they took your picture for your driver's licence. Are those the functions of a banker? No, no, no.

I invite hon. members to look at the deliberations of the committee on finance which culminated in the March 20 report presented to this House on behalf of the committee by the present Solicitor General. He will admit it is a good report. In fact he pops his vest buttons that it is a good report.

The first item in that report insisted that banking should be defined in the act. I can tell the minister that I went looking for that and I got the recommendations and the testimony from most reputable witnesses on behalf of the Canadian bar, the bankers' association, the manufacturers' association, all types of organizations, and they are not generic when I name those, and private individuals. They said the business of banking had to be defined in the same way that the term deposit has to be defined.

People assume, for instance, that in a deposit with the trust company, that money on deposit with the trust company is on deposit. It is not. It is money left in trust with a trust company. It is not a deposit in the same sense as it is with a bank because those funds cannot be expended for any purpose. They are directly returnable to the individual who left them with the trust company, but the act refuses to define deposits.

These are two fundamental lacunae. I was told that defining the business of banking might excite some of the provinces. I will repeat the argument that I have made time and time again. The fact that a provincial administration incorporates a trust company and that it has jurisdiction over certain credit unions, does not give it jurisdiction over the operations of that institution or that society if that society, institution or corporate body engages in the business of banking, any more than a company incorporated under provincial statute for the operation of aircraft. They all come under the Ministry of Transport. There is not one scintilla of the operations of that company, other than filing its annual return, naming its directors and its shareholders, that a province can control. The same is the case with a broadcasting company. They are incorporated under a provincial charter. They name their

directors, they file their annual statements, but again not one scintilla of their operations come under provincial control.

A grain marketing company is incorporated under provincial charter but again not one scintilla of its operations comes under provincial control. Its employees are under the Canada Labour Code. A trucking company that crosses a provincial boundary, again its operations to truck are under sound federal control. Its employees are under the Canada Labour Code. Why, then, do we come around suddenly to recognize that organizations engaged in the business of money and banking incorporated under a provincial charter somehow or other have a totally provincial concept? To my mind, that defeats logic.

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When we consider that over 35 per cent of moneys on deposit today, and presumably almost the same amount of chequing operations, are drawn through the near banks and the money lending operations, where is the determination of monetary policy which, under the constitution, is assigned to the Minister of Finance? Where is the determination that money and banking are exclusively jurisdictions of the Government of Canada? I would expect, by the same logic, the provincial governments to insist that education and a few other fields come exclusively within provincial jurisdiction. But with regard to money and banking the position is clear under the Bank Act and associated legislation dealing with monetary policy. I may be a hardliner and I am not too sure that all my hon. friends share this view.

This afternoon we heard the hon. member for Broadview-Greenwood arguing that the Bank Act is a multi-purpose document. I do not recognize it exclusively as a social document, as he and his hon. friends tend to do. In fact I think they are "out to lunch" in opposing *quid pro quo*, as one might say, labour policy against monetary policy. By that, I mean the organization of our monetary institutions. To my mind, it is illogical, it is hare-brained, and destined to failure. I think it is—

**An hon. Member:** A dangerous move to the left!

**Mr. Lambert:** Members over there may laugh, but I am bearing in mind the contributions of that group on the left during the last determination of these issues. Perhaps I might quote to them the words of their former financial critic at the time I was finance critic for my party—he is somewhat of a revered institution in that party or, at any rate, he should be to a lot of its younger members. I refer to the former hon. member for Waterloo. He used to say, "Marcel, when you have covered a bill there is nothing much left to say."

**Some hon. Members:** Hear, hear!

**Mr. Lambert:** I am going to review these documents at some length, Mr. Speaker. This is an omnibus bill, a huge, massive thing, and for the benefit of the television audience tonight I am going to show it.