

Bank Act

clothing manufacturer, for example, it is no time at all until an official from the Department of Consumer and Corporate Affairs arrives at that particular industry or business to check their books, and if the Department believes there is reason for charges to be laid, it will lay them.

This is not so in the case of the banks. Nothing like that occurs. According to the present Act, the Inspector General is the one who looks at the solvency of the banks and reports to the Minister of Finance (Mr. Lalonde). In that, you have a merry circle.

I would invite Members of the House to give serious consideration to supporting this legislation. There is nothing ideological or partisan about it. I believe that all Members of the House are interested in genuine consumer protection. I invite them to support this amendment, which will simply give additional powers to the Inspector General of Banks so that if there is reasonable belief that fraud has been committed, he can make a report to the Minister of Justice (Mr. MacGuigan) who can then take the appropriate steps to ensure that the consumer is protected.

Their support of this amendment will also allow the banking industry itself to be cleared of any accusations of having protected itself, or that it whitewashed any type of activity, as well as giving it a clean bill of health as a result of an investigation. The consumer can then have total confidence that he will have a non-partisan umpire to carry out an independent investigation and to make sure his interests are being protected when he feels he may have been wronged.

Mr. Pierre Deniger (La Prairie): Mr. Speaker, before I deal with the main issues in this Private Member's Bill, I want to congratulate the Hon. Member on his election as official caucus Chairman of the Official Opposition. I cannot help but find it interesting that his first speech in the House after his appointment would deal with increasing the powers of the Inspector of Banks. I want to wish him well in his functions. I know he will have a very exciting and eventful two-year term.

[*Translation*]

Mr. Speaker, I listened with great interest to the comments of the Hon. Member opposite, and I share his interest in the subject as well as his aims, which are to afford greater security and protection to the banking consumer. However, Mr. Speaker, I cannot support the Bill as presented by the Hon. Member, because he seems to be somewhat misdirected. Let me explain. Bill C-668 expands the authority of the Inspector General of Banks by giving him powers under the Criminal Code, as indicated in the wording of the Bill, and I quote:

Anyone who believes that a director, officer or employee of a bank has committed or is about to commit an offence against this Act or an offence under the *Criminal Code*—

That is the key-word.

—may make a complaint to the Inspector.

This amendment is important, I believe, because it considerably expands the powers of the Inspector General of Banks. Mr. Speaker, we all know—and I hope the Member for

Edmonton West (Mr. Lambert) is going to speak in this debate, in view of his considerable interest in banking affairs—we all know what the duties and powers are of the Inspector General of Banks. During a very long debate, as you may recall, Mr. Speaker, which resulted in the new Bank Act, we had an in-depth discussion on the powers of the Inspector General of Banks, which in the previous legislation were defined in Sections 60 and 64 and can now be found in Part IX of the Bank Act which relates to supervision, which is, in fact, the responsibility of the Inspector General of Banks.

The extent of the powers of the Inspector General of Banks is described in Section 246(2) of the present Bank Act, and with your leave, Mr. Speaker, I shall quote as follows:

The Inspector, from time to time, but not less frequently than once in each calendar year, shall make or cause to be made such examination and inquiry into the business and affairs of each bank as the Inspector may deem to be necessary or expedient, and for such purposes may take charge on the premises of the assets of the bank or any portion thereof, if the need should arise, for the purposes of satisfying himself that the provisions of this Act having reference to the safety of the interests of the depositors, creditors and shareholders of the bank and other provisions of this Act are being duly observed and that the bank is in a sound financial condition, and at the conclusion of each examination and inquiry shall report thereon to the Minister.

Well, Mr. Speaker, those are the powers of the Inspector General which are indeed very extensive, and now the Hon. Member opposite would like to extend those powers even further, conferring responsibilities on the Inspector General, not only with respect to the Bank Act, but also with respect to the Criminal Code.

At the time, the Inspector General of Banks told the Members of the Committee on Finance, Trade and Economic Affairs, that he did not have enough staff, that the growing number of new banks was putting tremendous pressure on his staff, and that the additional responsibilities and powers that banks have at the present time resulted in an enormous workload for this staff. He had to make sure that audits were in order, he had to discharge his responsibilities as defined in the Bank Act, and he had to have competent staff including auditors, lawyers, accountants, actuaries and people familiar with the international markets, the securities market, the stock market, and Canadian industry in general. Until now, however, it has not been considered either useful or necessary to have Criminal Code experts on the Inspector General's staff.

Mr. Speaker, if in addition, the Inspector General is to have responsibilities with respect to the Criminal Code, it is clear that this will add considerably to his staffing problems, his own responsibilities and the extent of those responsibilities.

Recruiting enough staff is already a difficult problem, and now we want to hire more bureaucrats. But supposing the necessary and I hope competent staff were available, when would they start working? Whenever there is a complaint? Of course, but unless there are a great many complaints, they will not have much to do, and if that is the case, it will be just one more burden on the Canadian taxpayer.