

Bank Act

the decennial revision of the Bank Act and the Quebec Savings Banks Act. This provides members of parliament with an opportunity to review the whole financial machinery and structure of the country. It is one of the very important tasks which we face and which we are preparing to deal with.

As I have stated on another occasion, the government did not believe it would make sense or be helpful to consider the revisions of these two acts prior to the publication of the report of the royal commission on banking and finance which has been studying for the past two years the financial machinery of Canada, its workings, its strengths and its weaknesses. The report of that commission was published on April 24. It is detailed and lengthy and its recommendations cover a wide field and go to the very heart of the financial system of the country.

Mr. Fisher: Do you mean it is pretty good?

Mr. Gordon: The hon. member is trying to hurry me.

Mr. Knowles: He has written a column about it.

Mr. Gordon: He may have written a column about it but I cannot help him with his moonlighting operations on a matter of this importance.

Mr. Fisher: You already have.

Mr. Gordon: A report of the very great importance of this royal commission requires a great deal of careful study and thought on the part of the government and, indeed, on the part of all hon. members. Undoubtedly the government will be receiving representations from interested parties respecting the recommendations of the commission. But apart from that the government itself is giving the most careful consideration to the recommendations. We have already begun to hold meetings preparatory to reaching conclusions as to the kind of revisions that the government will wish to introduce. Much work has already been done in the Department of Finance and this will proceed during the summer months. Following this the government will be in a position to determine the kind of revisions to the Bank Act and the Quebec Savings Banks Act it wishes to present to parliament.

I am hoping these revisions can be made in time to be incorporated in bills which would be presented to the house some time next fall. I would hope and expect that the bills would be referred to the banking and commerce committee. If this course is adopted the banking and commerce committee will be in a position to hear witnesses and to

[Mr. Gordon.]

consider the proposed bills in detail. I would hope that following such public hearings the bills would be referred back to the house and passed by parliament at its next session.

There will, of course, be ample opportunities, when the resolutions preparatory to the revision of these two acts are introduced, in the committee and after the committee makes its report, for hon. members to express their views upon the adequacy or otherwise of our banking system and ways in which in their opinion it may be improved to meet the needs of the Canadian people. If I may say so, I think it would be premature to embark on that kind of discussion until we have had the opportunity to study the royal commission report and until the necessary work has been done. In the meantime the banking business of the country must be continued.

It is therefore suggested that the Bank Act and the Quebec Savings Banks Act be amended to extend by one year the authority to carry on the business of the banks to which these acts apply. That is the whole purpose of this resolution. Without such an extension, of course, the chartered banks and the Quebec savings banks would have to cease operations by July 1 of this year. As I say, the extension proposed is for one year only.

I could go on to mention that there are precedents for this kind of action, the extension of the provisions of these two acts for a period of a year. This was done in 1911, 1912 and 1933 and there was another extension of three months, I think, in 1944. I think that is all I need to say, Mr. Chairman. It is a very simple resolution. The purpose is merely to extend these acts for one year from July 1, 1964.

Mr. Nowlan: Mr. Chairman, I know the committee has listened with interest to the statement of the Minister of Finance, and I can say that in so far as we in the opposition are concerned we are in entire agreement with him that some such action must be taken. Otherwise the banks would all have to cease operations on July 1, and that might be a matter of inconvenience to some hon. members at least and to a great many other people in the country as well.

We have a decennial revision of the Bank Act, but on this occasion a royal commission was appointed to consider the banking and financial problems of the country generally. That commission reported only a few weeks ago. I think it has made a very exhaustive study of the financial problems confronting this nation. Frankly I am not in a position, and I doubt that anybody else is, to comment on its recommendations at the moment. Those of us who have seen the report know that it is a very heavy legal tome of about 500