

*Bank Act*

dragon with a feather when he might have used a dagger. I am not going to use a feather; I am going to use an axe. There are really two main questions to be raised in connection with this bill. I regret very much that in this case some of my comments will have to reflect upon the Minister of Finance. This is always the case when the putative father, so to speak, the hon. member for Davenport, is not here and the foster father must answer for the legislation that is on the books.

● (8:30 p.m.)

The question is, first, is this is good banking legislation; in other words, is it going to assist Canadians in their industrial growth and in their commercial expansion over the next ten years? I say it is not; it is bad legislation and, with all due respect, the committee did not consider this question. It approached this matter on the basis of individual amendments. Mind you, they were good amendments to a bad act. However, making worthwhile amendments to a bad act will not make it a good act; it does not make it good banking legislation.

The other question is: How in the world did we mix up nationalism with banking legislation? What have those two things to do with each other? I suggest to you that nationalism, this great quest for some sort of feeling of unity, has no place in banking legislation. Indeed everyone who has spoken on it, and the hon. member for Davenport has himself commented on it, pointed out that we as Canadians are not worried about money lent to Canadian companies or any type of bond issue which can be paid back. The hon. member for Davenport said that what he has worried about was industrial equity. There is a difference between the two.

I fully support the concept that Canadians should be induced to buy shares, to get dividends and to re-invest in their own growth. Here we are talking about money, we are talking about banking tools for industry. We welcome tools from anywhere, because this can always be paid back. However, nationalism has no connection with banking. We are very concerned about national unity and we think we can obtain this national unity, or this ersatz nationalism, by skinning it off the hides of someone else. This cannot be done. We are greatly concerned about our centennial. We are rushing on at a frantic pace with the idea that we have something to celebrate, and we want to discover in our country a national spirit. So we have 200 mountain climbers climbing mountains, we have 100

[Mr. Otto.]

canoeists canoeing down the river, and we have a high wire act and other such ambitious projects. However, this has nothing to do with banking. I do not want to deal with nationalism any further. All I wanted to do was to point out that it really has no bearing on banking. What we should seriously consider is whether we have good banking legislation.

The following question was raised by the hon. member for Edmonton West and by others: What is the definition of banking? It does not matter much what we say the definition of banking is, but we have identified it by the nomenclature we use. We have said that banks are institutions, and if one examines the definition of "institution" in its broadest or narrowest terms he finds that it is an organization established for the protection of souls, to guard established or cultural rituals. It is not active. This is exactly what our companies have become. They have become institutions.

We may well ask ourselves whether institutions, in their institutional way of thinking and doing business, help our industrial requirement for capital? I say they will not. The hon. member for St. Paul's mentioned that banks are like a club. Of course they are a club, and a very private one. They are a very inefficient little club with a monopoly.

There is something to be said for the charging of interest. But interest is earned through taking risks. Interest is usually the payment of money for the mere use of money, without a risk being attached to it. I submit that our banks, for the past 15 or 20 years if not longer, have not been in the habit of taking risks. They do not want to take risks. They say: We will lend you some money, but first we want to be absolutely certain that we will get it all back, and yet we want the interest on it. There is a place for this type of financing, but it is not the type which we will need in Canada for the next 10, 15 or 20 years. We have to have someone who is willing to take a risk and get the interest for it.

Our banks are not established in that way. In their minds, and indeed in our minds, they are institutions. Hon. members will recall that the original Bank Act, and in fact all our banking legislation—and this bill specifically—was devised to protect the depositors' money. That is the whole purpose of the Bank Act. It contains a large number of regulations specifying exactly what the banks can and cannot do.

We did not consider whether this was a good way to do business. What we have said