

Bank Act

me from speaking again on this particular motion, but I think the hon. member has a question which is worthy of a serious comment. The motion we are dealing with here deals with the Quebec Savings Banks Act and, as we found in the last section, No. 14, sets out an offence with regard to the Quebec Savings Banks Act. My information is that the same provision applies in the Bank Act at page 324 section 314, specifically paragraph (2) which reads as follows:

Everyone who, without reasonable cause, contravenes a provision of this act or the regulations for the contravention of which no punishment is otherwise provided by this act is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both.

Mr. Lambert: All right.

Mr. Evans: Thank you very much, Mr. Speaker.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, a few minutes ago the minister rose and was rather upset when I may have shouted across the floor, "There is a bit of a cover-up here". Let us talk about that for a moment.

In May of this year before this bill left the House at second reading the Inspector General of Banks became aware that the Laurentian group in Quebec had obtained 43 per cent of the shares of the Quebec Savings Bank. Later in the year the minister and the Inspector General of Banks clearly had discussions, and letters were written in the month of July to that group advising that it was in default under the act, telling the group that it could not vote its shares and, generally speaking, calling the group's attention to the matter.

What bothers me, and what bothered many members of the finance committee, is that when section 110 came before the committee for discussion, no mention of the Laurentian problem and the Quebec Savings problem was brought to the attention of that committee in July. It was not until the hon. member for Edmonton West raised the matter in September—

[*Translation*]

Mr. Bussi eres: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Blaker): The Minister of State for Finance on a point of order.

Mr. Bussi eres: Mr. Speaker, on this point of order I would like to point out to the hon. member that the provisions of the bill provided that an excess of 10 per cent of shares should not be registered by the institution and the shareholders should not have the right to vote. Those two facts were a violation of the law and this is what his colleague said a while ago and what we said before a standing committee. So no matter how many ribbons they may be wrapped in those allegations are still untruths.

[*English*]

Mr. Blenkarn: Mr. Speaker, the minister has confirmed that section 110 does provide that shares may not be registered, but when the minister and the Inspector General of Banks had before them a situation, unknown to members of the commit-

tee, in which a group in fact controlled 43 per cent of the shares which was known to the minister, the minister, through the Inspector General of Banks, advised the members of that group that they could not vote their shares, and the minister did not reveal this to the committee in July when the section was before the committee. The question was not asked. It was not asked until September when the hon. member for Edmonton West (Mr. Lambert) brought it to the attention of the committee, and then the whole thing opened up. Then all of a sudden we learned from the Inspector General of Banks what in fact was happening. It became apparent that Monsieur Garneau is going to be elected—or has now been re-elected—chief executive officer of the Quebec Savings Bank. Somewhere along the line, even though the Laurentian group cannot vote any of its shares, its nominee as chief executive officer will be elected.

It became quite apparent that whether you were able to register your shares or not, you could still perhaps have some effective control over a bank. It is only as a result of that committee hearing and the intense questioning on that day that these amendments are before the House. I say to the minister very sincerely that he should have advised the committee in July of the problem he was having. The inspector general, on the minister's instructions, should have advised the committee at that time, and the inspector general and the minister should have introduced these amendments in the committee when they knew the problems were there. It was only as a result of the questioning of the hon. member for Edmonton West that this matter came to the attention of the committee. The minister shakes his head, but it might well be said that the minister would not be introducing these amendments were it not for that questioning. The minister again shakes his head. I say to the minister that he has to come clean. In the committee the opposition brought forward a certain matter. That matter is now before the House, and these are reasonable amendments. Let us look at them. What the amendment does, particularly with the Quebec Savings Banks, is say, "You have five years in which to divest your shares." If it does not do so in five years, it probably has another two years. Then what does it say? I read motion No. 55, I suppose it is. Subsection (14) says:

Everyone who, without reasonable cause, contravenes subsection (8), (11) or (12) is guilty of an offence—

Is it reasonable cause if you cannot get a decent market price for your shares? It does not say, "Any one who contravenes regardless of cause is guilty of an offence". It says "without reasonable cause". Has the minister in this amendment said to the Laurentian group that the worst that can happen if it does not get rid of its shares is that it will pay a \$5,000 fine and that if it has any reasonable cause perhaps it will not pay any fine at all? Under the subsection you can only be convicted once. It is not a continuing offence. It is a one-offence situation. The maximum fine is \$5,000 once, and if there is reasonable cause for not obeying the minister's order you do not pay at all; nothing happens to you. You do not lose your shares. You still keep them. The minister cannot make