

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, public bills and notices of motions (papers).

PRIVATE BILLS

[English]

CONTINENTAL BANK OF CANADA

The House resumed, from Thursday, March 18, consideration of Bill S-30, to incorporate Continental Bank of Canada, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Ron Basford (Minister of Justice): Mr. Speaker, on a point of order, there have been some suggestions, which I do not believe were conclusive, that the sponsor of the bill before this House would be prepared to forgo the hour by postponing it in order to carry on the debate on the motion of the President of the Privy Council (Mr. Sharp). I am not sure there is disposition in all corners of the House in that regard, but if there is, I would be very grateful.

Mr. Baker (Grenville-Carleton): There is not a disposition in all corners.

The Acting Speaker (Mr. McCleave): There does not appear to be unanimous consent, and when the bill was being debated previously the hon. member for Timiskaming (Mr. Peters) had the floor.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, when I was speaking previously I referred to a number of names on the list of directors which indicated the interlocking directorship of those who comprise the board of IAC and the directors of the proposed Continental Bank of Canada. It was pointed out that these poor, small, little innocent people were asking for the right to spend whatever largesse they have under their jurisdiction for other people. I referred to some of those people and mentioned some of their interlocking directorships. Many already are bank directors. In that category I put F. M. Covert, a director of Royal Bank; J. S. Dewar, director of Toronto-Dominion Bank; C. F. Harrington, a director of BM-RT Realty Investments, which is jointly owned by Bank of Montreal and Royal Trust; L. A. Lapointe, a director of Toronto-Dominion Bank; Paul Paré, a director of Royal Bank; and Renault St. Laurent, a director of Banque Canadienne Nationale.

● (1700)

It strikes me as strange that all those directors, who also hold the directorships in other companies, want to set up another bank. My party, which represents many disadvantaged people in this country, does not favour the proliferation of banks. We see no reason for establishing another bank. I agree wholeheartedly with at least one plank of the Creditiste party: The banking industry should be nationalized. At present there is absolutely no competition in the banking industry except to the extent that one teller, in one bank, may be cuter than another in another bank. We

Continental Bank of Canada

would be well advised to nationalize the banking industry, not proliferate the number of banks. Let us nationalize banks so that they can work in the national interest and develop this country uniformly. The need for more uniform development is evident in our disadvantaged areas, the maritimes, northern Ontario and many parts of Quebec. We do not need the proliferation of banks. Adding one more bank to the list will merely mean the addition of an expensive building downtown in some city and more expense for someone—for me and the ordinary Canadian.

Banks do not always work in our best interests. For example, the other day an Ottawa bank refused to cash government-backed pay cheques. I do not know if the Bank of Montreal across the road had listened to some disgruntled civil servant, but it refused to pay government-backed pay cheques. Mr. Speaker, our banking system is not like the United States system. Our banks do not go bankrupt; they do not behave stupidly because they are governed by the Bank Act. They are protected. They cannot go broke unless the country goes broke. Imagine a bank saying, "We cannot cash government-backed pay cheques because the government has no money." If the government has no money, the banks don't have money either, because they get their money from the government. Mr. Speaker, there is no competition in the bank industry.

All the directors I mentioned who hold interlocking directorships want to establish a bank merely for their own advantage. IAC has not been a good company. In many ways it has been a bad company. In northern Ontario, IAC cancelled some automobile financing contracts. In New Liskeard it was responsible for making two automobile enterprises go out of business. IAC decided that there were better returns in the small loans business than in the automobile business. Were automobile time payments not lucrative enough? Apparently not, because they now want to go into the banking business.

Those little, disadvantaged citizens on the board of directors of IAC want special privileges going far beyond letters patent which would establish the new bank. They are asking, in effect, the Bank Act to be changed. They are asking all kinds of favours which could even give them advantages over other banks. Mr. Speaker, we will not act in the best interests of the small people of Canada if we let those shysters, those people on the list of interlocking directors, band together and set up another bank. They want to do it only for their financial advantage.

[Translation]

Mr. André Fortin (Lotbinière): Mr. Speaker, I believe that it is extremely important for us to express certain opinions during this debate on Bill S-30, which aims at allowing the IAC finance company to become a chartered bank in Canada.

Mr. Speaker, since my early childhood, I have heard Canadians from all parts of the country, especially in my social group, say that finance companies are bad, that they gouge the people, charge high interest rates and use the financial problems of people to jump on them and strangle them. Finance companies in general are commonly called the sharks of finance. Mr. Speaker, this is why I am surprised to see that one of these companies wants to become a bank. This must mean that there is something even more profitable than being a finance company. IAC