

*Bank Act***GOVERNMENT ORDERS**

[English]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, motion No. 14 (Mr. Rae), motion No. 15 (Mr. Rae) and motion No. 18 (Mr. Rae).

The Acting Speaker (Mr. Blaker): Order, please. When the debate on motions Nos. 14, 15 and 18 was interrupted at five o'clock this afternoon, the hon. member for Mississauga South (Mr. Blenkarn) had the floor.

Before recognizing the hon. member, may I take a moment to indicate that a further grouping of the remaining motions has been made—those listed on the order paper at report stage of Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof. The motions seem to be procedurally acceptable and it is the intention of the Speaker to group them as follows. Motions Nos. 22, 23, 25, 27, 28, 30, 38, 39, 40, 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, 53, and 58 will be debated and voted on separately.

[Translation]

Motions Nos. 24 and 26 can be grouped for debate and a negative vote on motion No. 24 would dispose of motion No. 26. An affirmative vote on motion No. 24 will make it necessary to put motion No. 26. Motions Nos. 29, 31 and 32 will be grouped for debate, and the vote on motion No. 32 will dispose of motions Nos. 29 and 31. Motions Nos. 33, 34 and 35 will be grouped for debate and they will be voted on separately.

[English]

Motions Nos. 36 and 37 should be grouped for debate and a vote on motion No. 37 will dispose of motion No. 36.

Motions Nos. 45 and 54 will be grouped for debate and, if required, a vote on motion No. 45 will dispose of motion No. 54. Likewise, motions Nos. 56 and 57 will be grouped for debate and a vote on motion No. 56 will dispose of motion No. 57.

I am sure all hon. members are perfectly clear on the procedure at this moment.

Everything being perfectly clear, the Chair recognizes the hon. member for Mississauga South.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am not too sure it is all clear, but I thank the Table for giving me a copy of your remarks in advance.

Prior to private members' hour, I was discussing section 110(3) found on page 98 of the bill. In that section the act

provides that any group of shareholders, associated shareholders or a shareholder who holds 10 per cent is all right. But a bank will refuse to register securities where a shareholder holds more than 10 per cent of a class of shares.

The motion of the hon. member for Broadview-Greenwood (Mr. Rae) clearly indicates that he, as the finance critic of the New Democratic Party, fails to understand how banks and large institutions, indeed, large commercial organizations, operate. He suggests that the figure of 10 per cent should be reduced to 2 per cent. Obviously we will get ourselves into enormous problems if that happens. If one is to organize a new bank, it would be necessary for the principal promoters to hold a fair block of stock, and a reasonable block of stock would have to be at least 10 per cent. To suggest that a new institution could be organized with no shareholder or associated group of shareholders holding more than 2 per cent of the stock means that it would be virtually impossible to organize such a corporation. In other words, the New Democratic Party clearly favours the creation of no further banks, no further financial institutions and no further competition in the banking industry.

Earlier today they talked about greater competition. We never could understand where that party stood with respect to financial institutions. The truth is that when it comes to a financial institution they oppose it because it is a financial institution. They do not oppose it for any reason or rationale. They oppose it because it happens to deal with money, because it happens to deal with business, because it happens to deal with some sense.

The 10 per cent is an effective limitation. Indeed it might even be increased to 15 per cent or 20 per cent, but the government has proposed 10 per cent. We are prepared to accept 10 per cent because it ensures that even in the worst situation there would have to be a minimum of ten shareholders holding 10 per cent each. In a public company like a bank that would be an impossibility. But it also ensures that no shareholder shall hold more than 10 per cent.

Turning to section 111(2) we find it deals with the registration of shares. It is found on page 101 of the bill. That section deals with the registration and the voting of shares.

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The New Democratic Party amendment says that if a person has more than 2 per cent of the stock of a company the shares would be registered, but that shareholder could not vote even with the shares which he held. This suggestion indicates clearly to all members of this House how little the New Democratic Party understands the business of business, the business of banking, the business of financial institutions or, indeed, the workings of the total corporate organization of this country.

The suggestions made in the amendments put forward by the hon. member for Broadview-Greenwood indicate his total lack of understanding of this act and of the banking industry in general. I suggest that the amendments be defeated forthwith.