

Bank Act

in many ways that what we are doing here is akin to laying down the rules for the manufacture of horse collars in an age of jet propulsion, rockets, and advanced electronics.

We have been putting up a fence to contain the encroachment of foreign banks. If we look at the proceedings of the committee in 1966 we see that I, for one, asked the minister of finance of the day and the superintendent of banks at that time to do something about the comprehensive Bank Act which would allow foreign banks in for competition. We went through a gestation period with one foreign bank at that time, the Mercantile Bank. How that exercised the committee and the country, Mr. Speaker, when all it did was shore up one particular banking operation very soon thereafter! Because the market attracted them and the Canadian banking system did not have the facilities themselves, we had British merchant bankers, representatives of French banks and German banks and, of course, branches, in essence, of American banks.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

Mr. Lambert: Mr. Speaker, at the six o'clock adjournment I was speaking about what the tendency has been on this occasion and in fact on the previous occasion when major revisions of the Bank Act went through, but in particular on this occasion. We are merely legislating to cover deficiencies and anomalies of the past, rather than what I would like to see, and I think that the majority of members on my side of the House would like to see, that is, legislating for the next 25 years in the future with regard to the banking system of Canada. I do not share the views of the now absent New Democratic Party.

Some hon. Members: Oh, oh!

Mr. Lambert: But I want to say this: as they take some views, we take different views—

Some hon. Members: Hear, hear!

An hon. Member: Here is the cream of the crop.

Mr. Lambert: —with regards to the importance of the framework of our financial system here in Canada.

I remember in 1966 insisting upon provisions for merchant banking. The former member for Eglinton, Mr. Sharp, who was then the minister of finance, and the then inspector general of banks, would not hear of it, but we have seen merchant bankers move into our Canadian economy. What we

are doing now with this act is trying to put containing fences around them. We are talking about limiting the banks in data processing. We are talking about limiting the banks in the leasing of equipment. In 1966, and 1967, the banks warned us, and we were told by witnesses, that the only way you could, at that time, finance the leasing of major ticket equipment in this country was through major American subsidiaries. Frankly, we had the courage in 1966 of supine individuals with wet noodles for a spine in so far as it came to banking. Today we are doing the same thing.

I have been connected with the examination and the study of our financial system for over 20 years in this House, and I will confess that my early career was as a bank clerk but I could not stand the dull mechanics of it. I put a challenge to this government, as I did to my own administration, and I have here before all of this House the first carbon copy of a letter of my commentaries with regard to the Bank Act on the bill presented by my colleague, the hon. member for St. John's West (Mr. Crosbie), who was then the minister of finance. It is less than it was against that of the hon. member from Shawinigan who was the then minister of finance.

Mr. Kaplan: It was the same bill.

Mr. Lambert: But I simply say—and the Solicitor General (Mr. Kaplan) will know because he was chairman of the committee of which I was a member—that our biggest problem is that we have been too timid with our bank system, our financial system. We do not gear for the future. We are merely trying to shore up for the past; contain the present, and then God help us in the future.

It is alleged that the Canadian Payments Association, or system, is going to provide the necessary vehicle for the electronic transfer of funds. That is nonsense. It is too limiting.

● (2010)

I do not think that what we have in this act provides us with the proper vehicle for the Minister of Finance to discharge his constitutional duties properly where he is given exclusive jurisdiction, or the Parliament of Canada is given exclusive jurisdiction, over money and banking. My old expression of wet noodle courage in 1966 motivated the then administration not to insist upon its exclusive jurisdiction in monetary policy and in banking with regard to deposit insurance and, secondly, with regard to that which is banking.

What is wrong with this act is right at the core, at the guts of it. It refuses to define the business of banking, yet it has the gall to use the phrase "of business and banking". I, as a solicitor, and I do not apologize for the number of solicitors in this House because I think they reflect the right thinking of the Canadian public—

Some hon. Members: Oh, oh!

Mr. Lambert: Jealousy will get no one anywhere.

An hon. Member: You are living proof of that.