

the banks and say, "Please, we need electronic transfer of funds as quickly as possible". The banks have been able to do this in part, but it will be much easier and more effective now that we have the Canadian Payments Association. If the major trust companies so desire, they can become members of the association. They will find it economically possible to participate as full members. Of course the *caisse populaire* and credit union movement, among their federations and what-have-you, are also able to participate in this payments association. I do not think many of them will have very grave difficulty getting into the electronic transfer of funds. *Le mouvement Desjardins* is well into the area of electronic equipment at the present time, as are major credit unions. Therefore we will see this.

● (1420)

I spoke in the same way 12 years ago and I castigated the government for their refusal to define a bank in the act. The net result is we have the biggest running sore in Canada at the present time because of the lack of control we have over foreign banks operating in Canada. They operate under provincial charters of one sort or another, or as representative offices, or they are operating out of a suitcase—God knows what. They did not have the courage to face up to the situation and say that money and banking was an exclusive federal jurisdiction. If you can define bank you will define the business of banking, and therefore control over it will exist. I do not know that the stable door will ever be locked again; the horses have all been stolen. The net result is that the amendments to this particular act and all the provisions with regard to foreign banking are sort of trying to catch up, to reach out and get hold of it and see if we cannot bring it under control. We hope that we can.

The most important question which faces us is that of reciprocity. Will the countries of the foreign banks involved permit Canadian banks to operate in their countries under reciprocal conditions? We may end up saying that their banks will not be able to operate in our country unless our banks can operate in their countries. What are the conditions of reciprocity?

What will we do with the great number of well-established organizations that are here in Canada? Some of these institutions have been in operation for over ten years. For instance, the Bank of America has some 39 branches in Canada, if my memory serves me correctly. Those branches do not operate under that name but under another operating name. There are a number of French, Swiss, British and other American banks operating here in Canada, under the control of two or three foreign operations. It is similar to the way in which Canadian banks operate in foreign countries. To try to untangle that pot of spaghetti and sort out the relationships between some of these organizations is proving to be very difficult.

I think we have a rocky road ahead of us. I invite the minister to consult with the opposition and the parliamentary

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committee. I ask him not to act on his own, not to go off and rely on the wisdom of the bureaucracy, but to come and consult the committee about some of the changes in the regulations which may be required. I think the minister will be satisfied, especially after this summer's exercise, that the wisdom does not necessarily reside entirely within the bureaucracy of the Department of Finance nor in the inspector general's branch. Even though some of the members at the beginning did not have a detailed knowledge of the Bank Act they were able to make some worth-while contributions toward the solution of some of the problems.

The control of policy resides with the parliamentarians. Policy is the prerogative of Parliament. Parliament has nothing to do with administration. Government establishes what its policy shall be, but it comes before Parliament for approval. So the ultimate approval of policy resides with Parliament. When parliamentarians make decisions and recommendations with respect to policy, I find it lies very ill on the part of bureaucracy, on its own, to change it.

For purposes of demonstration I have some amendments to put before you. I have had close to 25 years of experience in this House and I am convinced that, for the benefit of Canada as a whole, Parliament must resume more control of policy. We have got a mammoth problem in Canada concerning control by the bureaucracy. My hon. friend from Kingston and the Islands has an article in *The Globe and Mail* today in this connection. How right she is. Government ministers have told me privately that they feel the same about this, and my colleagues who were in the last government talked ruefully about it. This is the point I want to reinforce. It is Parliament that determines policy in the end. Even if the policy is formulated and proposed to Parliament by the government, it is Parliament in the end which will sanction it.

I see that my time is at an end on this stage of the measure. I think the committee did a very good job and I commend the minister. I know he found me a little tough to start with, but once we established our working liaison, shall we say, and were able to understand one another, I appreciated his performance during the committee hearings. As I say, I was a little tough to start with and I think he found that a bit difficult. But this shows the value of a standing committee of this House where the membership is kept constant. We do not have visiting firemen who descend upon us from time to time trying to reinvent the wheel. As the membership is kept constant we are given an opportunity to get to know one another and are thus able to come up with a piece of legislation which we think, although not perfect, is pretty good.

On that basis I have some amendments which I want to put before the House. The government has some amendments with which I agree. These have been negotiated. We will have some views with respect to the remarks of the hon. member for Broadview-Greenwood (Mr. Rae). Some of his amendments have got too much, shall we say, of their ideology. But on the