

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negated on division.

Motion No. 40 (Mr. Rae) negated.

Hon. Stanley Knowles (for Mr. Rae) moved:

Motion No. 41

That Bill C-6, an act 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, be amended in clause 2 by adding immediately after line 42 at page 225 the following new subsection:

"(1.1) A bank shall cash all cheques issued by the Government of Canada and shall not make a charge regardless if the person holds an account with the bank, provided the person provides proper identification."

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea!

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay!

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Knowles: On division.

The Acting Speaker (Mr. Blaker): I declare the motion negated on division.

Motion No. 41 (Mr. Rae) negated.

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 42

That Bill C-6, an act 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, be amended in clause 2 by striking out line 11 at page 231 and substituting the following therefor:

"banks;

(d) Canadian currency deposits with any bank that was a bank at the coming into force of this act and that, as at the end of the financial year immediately preceding the coming into force of this act, had total assets of three billion dollars or less, if such deposits have an original term of maturity of one year or more and are not encashable, and encashable

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Canadian currency deposits with such a bank that are not encashable until after one year from the date of issue; and"

and that paragraph (d) be renumbered (e).

He said: Mr. Speaker, this is a very short point that I hope will commend itself to members opposite. The minister will recall that when the committee considered clause 208(8) at page 231, it had been agreed that Canadian currency deposits, particularly non-interest bearing demand deposits, should figure in the determination of reserves, but when there had to be some deposit liabilities contained, we had to consider which deposit liabilities of the banks required reserves. The original bill proposed that since deposit certificates with a maturity date of over one year were not really current liabilities, they would not require such deposit liabilities. However, discussion in the committee showed that instead of writing certificates for one year or 365 days, the banks were proposing to write them for 366 days which, of course, immediately took them out of the category of deposit liabilities requiring reserves.

In competition with the trust companies for the very same money which is invested in deposit liabilities, the banks have to maintain reserves. It should be remembered that the bill does not change the requirement for secondary reserves. The banks have been given a fair break on the question of reserves; lower reserves are being required than was the case 12 years ago and what the law calls for today. In so far as these deposit certificates were concerned, it was going to give them an advantage of about three-eighths of 1 per cent over the trust companies in the same field.

In the whole spectrum of financial institutions in Canada, we start out with the chartered banks, then the trust companies, caisses populaires, credit unions and a number of other quasi-banks. The trust companies, whether they are federally or provincially incorporated, constitute an important sector in that whole spectrum. In fact, they are the only ones allowed to carry out fiduciary responsibilities. Because they must invest 75 per cent of their money in mortgages, it is essential that they get the longer-term money, particularly the five-year certificates.

The committee agreed with this proposal which was made both here and in the Senate. However, I am prepared to put forward a moderating amendment, and this is the nature of it. It effects the change we brought about in the committee. It causes some real problems for the newer banks that are just starting up such as the Continental, the Northland and the Bank of British Columbia as well as the Canadian Commercial and Industrial Bank. Not all of these write certificates, but some may. I know that the Continental Bank in particular is rather hard pressed by this requirement upholding reserves. My amendment is very simple. I believe businesses which are starting up should be given a chance. That is what I am doing with this amendment. It states, if at the time of coming into force of this act, a bank and I quote:

—as at the end of the financial year immediately preceding the coming into force of this act, had total assets of \$3 billion or less, if such deposits have an original term of maturity of one year or more and are not encashable, and encashable Canadian currency deposits with such a bank that are not encashable until after one year from the date of issue—