

*Continental Bank of Canada*

form there will, in effect, have been a revision of the Bank Act. That, exactly, is what will have happened. I suggest that one cannot lightly pass a bill whose effect will involve a revision of the Bank Act.

We should not pass a bill of this importance so lightly. It has not been given more than cursory attention by a committee of this House. A few witnesses were called. There were hearings and meetings in the Senate, and I believe there were four references in the debates of the other place to this question. There were few committee hearings into a bill of such complex and enormous implications. There were some hearings in the House of Commons committee. Nevertheless, not one of us would dream of amending the Bank Act in this manner. You cannot, by hearing a few witnesses and saying, "Yes, we know all about it; we understand the situation exactly", amend the Bank Act by passing this bill. Interestingly enough, there are two senators who in fact are directors of banks: Senator Molson and Senator Desrousseaux.

● (1720)

**An hon. Member:** Only two?

**Mr. Saltsman:** Those are the only two on the committee. There may be others; we did not look into that. The point is that both these senators declared in committee their conflict of interest and said they could not vote on the bill. Nevertheless, they did not consider it a conflict of interest to say it was a very good idea that the IAC conversion into the Continental Bank go ahead. What strikes me about this whole thing is the coziness. For instance, Senator Macnaughton went out of his way, whenever questions were raised, to say, "We have to get this through as these boys are in a hurry." When we held it up, he indicated solicitude by asking how much time we needed. He emphasized that the thing was to get it pushed through. If it were a minor bill being dealt with in the face of some national emergency or some compelling interest, I would not be reluctant to see it expedited through this House. There is no reason to argue against that. However, it is a bill that raises all kinds of questions. There are more unanswered questions than questions that have been answered. It should not go through without serious consideration on the part of the House of Commons.

I see that Your Honour is about ready to remind me how the clock works. I appreciate that hint. I have other things I would like to say, but I am sure my colleagues will be only too happy to enlarge on them. There was a question being directed to me. I would appreciate it if Your Honour would permit that question.

**Mr. Deputy Speaker:** That could be done with unanimous consent. Does the House agree to the hon. member for Calgary North (Mr. Woolliams) asking a question even though the hon. member's time is completed?

**Some hon. Members:** Agreed.

**Mr. Woolliams:** Mr. Speaker, I was not on the committee, as was the hon. member. The only thing I did was read the brief. Therefore, I am asking this question to solicit information. As I take it, in the transition from IAC to the Continental Bank, the problem of transition, which is sometimes normal when there is an amalgamation of trust

companies—and I have had some experience in this—is that they are trying to keep the same directors for the bank as with IAC, and that is why they have had to have this change in certain sections. If IAC were ready to compromise and waive that, would the hon. member then see things in a different light?

**Mr. Saltsman:** It would certainly improve the light, Mr. Speaker, but there are a lot of other questions. We have ten amendments, so this is not our only objection. The hon. member is quite correct. It is a question of what kind of assets you transfer. Two general kinds of assets are now held by IAC. Some are eligible assets for a bank to hold, and some are ineligible assets. The question of an amendment to the Bank Act arises in permitting the ineligible assets to be transferred to Continental Bank and dissipated or used up over a period of ten years. Although they will not all be used up over that period, it is anticipated they can use enough to at least make it manageable at the end of that ten-year period. This is what the chartered banks have been asking us for a long time—the right to hold and to deal in these kinds of ineligible assets. This is the kind of thing the Bank Act has refused to give them. This is more properly the province of other financial institutions.

Our concern is simply this: if we grant this sanction to the IAC—and, admittedly, IAC has no real, practical way of transforming these present assets into a bank without this special agreement—where does that leave us with regard to the Bank Act? The banks would say we did the right thing with IAC—in fact, they are saying it now—and surely we could do the right thing for them. We will have created—this will be confirmed at a later date—a precedent that will be looked upon by everyone in the industry. Certain competitors of IAC see it that way. The quietness of the banks, their unwillingness to say anything at all except indirectly, as they did in the other House and in a private capacity, is a clear indication there would be great joy in the boardrooms of the banking institutions if this bill passes.

**Mr. Bob Kaplan (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, like the hon. member for Calgary North (Mr. Woolliams), I will try to be brief because I would very much like to see the bill proceed through this reading to enactment. I want to reflect upon the observations of the hon. member for Waterloo-Cambridge (Mr. Saltsman) that this is not a bill which they are prepared to let be talked out. They intend to carry on the debate as long as they feel it is necessary for their purposes. What I want to do, in very brief compass, is appeal to the sense of fairness of the hon. members of the New Democratic Party.

The hon. member for Waterloo-Cambridge took a considerable amount of his time today to develop the allegations that there may have been some advance knowledge by certain shareholder groups about the bank application. I am not familiar with the details of the structure of the company. However, I listened to what he said and listened to the allegations which are very serious and which might at least give rights to the vendors of the interest that he referred to to have their sales set aside and reacquire the shares and perhaps rights under the provincial securities legislation. But, after laying all that out, he then indicated he is not questioning the propriety of it.