

**Hon. John N. Turner (Minister of Finance)** moved that Bill C-183, to amend the Co-operative Credit Associations Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

**The Acting Speaker (Mr. Laniel):** When shall the said bill be read a third time?

**Mr. Knowles (Winnipeg North Centre):** Now, by leave.

**The Acting Speaker (Mr. Laniel):** Now by leave?

**Some hon. Members:** Agreed.

**Mr. Turner (Ottawa-Carleton)** moved that the bill be read the third time and do pass.

**Mr. Lambert (Edmonton West):** Mr. Speaker, I would simply state that in the absence of a statement from the minister, we have been able to study the bill in committee. Under such circumstances, when a favourable report has been presented by the committee about a bill and when we have heard outside witnesses, it is necessary in my opinion that the minister or his parliamentary secretary comments on what happened since the second reading of the bill.

We have received representations from officials of co-operative credit companies or associations related to the Canadian Federation of Financial Co-operative Companies; moreover we have heard evidence from Mr. Humphrey, the Superintendent of Insurance, in charge of monitoring co-operative credit societies to the extent that they are involved in federal legislation.

However, I must say that I am more and more convinced that more than ever the Canadian Federation of Financial Co-operative Companies is requesting investment powers of a similar nature as the trust companies, life insurance companies and other Canadian financial institutions which, through their members' activities, are supplying banking services in Canada, and which are currently competing not against the whole of their services but in certain areas of banking services supplied by Canadian chartered banks or major trust companies and which are not under the control of the inspection department of our bank and financial system.

I am not criticizing the monitoring services of the Superintendent of Insurance, on the contrary. He is not responsible for bank services but a different philosophy of the Canadian monetary and bank system should exist.

And I refer to the argument I already put forward when we proceeded to a review of the Bank Act. Here, in Canada, we have drafted a new banking legislation, wider than the previous one, that sets up the powers and provides for a new incorporation charter of our commercial banks. As a matter of fact, we see that the act is outmoded since one of the clauses at the end of the bill specifies that the Canada Bank Act includes an appendix with the charter of every bank.

But I think that the Minister of Finance (Mr. Turner) shares my view that because of his many duties as Minister of Finance, responsible for the control and manage-

### *Co-operative Credit Associations Act*

ment of financial institutions of this country, a whole sector is beyond his control. We have trust companies that are incorporated under provincial legislation, and one must admit, therefore, that supervision standards and conditions vary from province to province. Some of these standards, however, cannot be approved. Others lead to abuse and fraud on the public.

I believe that the Minister of Finance will agree with me to say that we should have in Canada a legislation for institutions that provide banking services. The provisions would mostly concern chartered banks, the banking services and trust companies incorporated under a provincial or federal charter. The constitution gives the federal government exclusive authority over currency and bank matters. I would say that at the present time the Minister of Finance (Mr. Turner) has no control or influence over 40 or 50 per cent of all banking operations. Considering the assets of the Desjardins Caisses Populaires in Quebec which, if I am not mistaken, amount to nearly \$7 billion, we realize that the finance minister has very little control over them. There may be other assets under this law, Mr. Speaker I am willing to get back to my subject. Those could be assets of another billion dollars.

● (1420)

There may be supervision a little remote from the Superintendent of Insurance, but not inspired by the same philosophy that a superintendent of insurance could show for banks. I am also referring here to the lack of control under the Bank Act, for after all we have a bank superintendent, an associate and two secretaries. It could be that the secretaries look after social correspondence, but as for the rest, the bank superintendent has no staff to control and check banking activities.

However, the Superintendent of Insurance has an active staff. Why could control over insurance companies, trusts under federal government responsibility, finance companies and certain co-operative institutions not be exercised in a better way? I am saying that without any ill-feeling toward the bank superintendent or the Superintendent of Insurance. After all, at the beginning of 1975, we will have to consider the government proposals; whether it is a Liberal administration or, as I hope, a Progressive Conservative one, the Bank Act will have to be changed not later than the beginning of 1975; we will have to consider the government's great proposals concerning amendments to the legislation. I remember well that the first act on the renewal of commercial banking charters was to be passed in 1964 but events were such that we had to wait until January 1, 1967 before passing the new legislation. Since then, events happened very quickly. I certainly agree with the finance minister about one thing. Whatever government may be in power, it should get ready to bring forward changes to the Bank Act in early 1975. If we want amendments to the legislation, not only in the government sector but also in the private sector, representations will have to be made and the government will also have to reflect upon it in order to introduce a bill liable to be passed in time and come into force before January 1, 1977.

It could be I missed out by about six months or perhaps more. It would be preferable to consider June 30, 1974. The minister must get moving immediately to come up with guidelines on desirable changes. I urge him to determine