

Bank Act

To the best of my knowledge, my hon. friend never did get an answer. At about the same time, or a little later, I asked whether the time had not come to review the banking industry again, whether there should not be another Porter commission inquiring into banking, the assets of which had grown from \$20 billion to \$80 billion. I point out that today our banks collectively have \$150 billion in assets compared with the \$20 billion at the time of the last review of the Bank Act by a commission. Surely it is unforgivable that the Minister of Finance should still be telling us today that he cannot produce a bill even before the Easter break because it is lingering somewhere in the Department of Justice.

On June 19, 1975, the then minister of finance told the House:

One would hope we will have a draft bill ready by the middle of next year, allowing for hearings on that bill before the final bill is presented to parliament.

The Acting Speaker (Mr. Turner): Order. I must point out that the time allotted to the hon. member has expired. He may, however, continue unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Stevens: Thank you, Mr. Speaker; I shall not take undue advantage of my extended time. The minister of finance of that time went on to say it would be good parliamentary practice to have an extensive hearing with respect to the Bank Act, which he had promised would be introduced early in 1976. By December 2, 1975, we find the then minister of finance saying:

We shall be placing before the House before next summer legislation amending the Bank Act as a result of the decennial revision.

On December 3, in reply to a question by myself, the minister seemed to waffle a little. He stated:

If I may elaborate further on my statement of yesterday, I indicated that we intend to give first reading to the bill next year without proceeding further with it so that there will be full opportunity for the community to study the bill and comment on it.

He then went on to say:

We shall not proceed with it in the present session.

At least, though, there was an undertaking to give the bill first reading so as to allow discussion to take place.

On May 17, 1976, we find the following statement in the budget of the then minister of finance:

Finally, to refer to another important part of the financial system, the government's proposals on the decennial revision of the Bank Act will be brought to the House later in the year. This will afford us an occasion for broad consideration of the task of financing the Canadian economy.

● (1612)

We did not see it. What we did see during the recess in August, 1976, was a white paper on banking. It was finally tabled later in that year.

Again we find that on October 14, 1976, my House leader put a question to the present House leader of the government.

[Mr. Stevens.]

The President of Privy Council (Mr. MacEachen) stated at that time:

Having regard to the reference to the white paper on banking, I have not had an opportunity of discussing that with the Minister of Finance or my colleagues. When I do so, which I hope will be soon, I will communicate the results to the House.

That was the answer in reply to my colleague's question as to whether we were going to have a reference of the white paper to the appropriate committee to allow some discussion of the important matters the then minister of finance had referred to. On February 15, 1977, the then minister of finance broke the news to us when he said:

—it appears that it will not now be possible to have a fully drafted Bank Act in time for full consideration by parliament before the present Bank Act expires on June 30 next . . .

It would therefore be the intention to introduce a short bill to extend the life of the current Bank Act for a further six months so that parliament may have adequate time to deal with the matter.

As you know, Mr. Speaker, this extension was not for six months but for 12 months. Partly as a result of the draftsmanship of my colleague the hon. member for Edmonton West the original wording was changed. The bill we now have before us states that, "subject to this act, the bank may carry on the business of banking until 31st day of March, 1978, and no longer". In short we have the amendment to the 1977 Bank Act which simply gave another nine months of extended time within which the government would bring something before this House.

There is something that is perhaps being overlooked, Mr. Speaker. Because of that legislation the government today has its back to the wall. If the government does not get the extension it is asking for in Bill C-16, it cannot call the election it presumably wishes. It cannot call the election for the very simple reason that the banks would disintegrate on March 31. Surely no responsible government would ever call an election, dissolving parliament, with the realization that on March 31 the Bank Act would no longer exist; the banks would have no constitution and literally could not carry on further.

The extending legislation to which I have referred is very clear. It states that the banks may carry on until the 31st day of March, 1978—but no longer. There is no provision to cover the event of parliament not being in session. There is no provision whatsoever other than the termination of the banks.

I mention this because it clearly demonstrates the precarious way this government is running the economy of this country. The government is asking us today, on March 1, to pass legislation which, if not passed, would result in the banks disintegrating on March 31. Certainly it is unbelievable when you think of the consequences to the Canadian public if the government ever dared call an election. With the dissolution of parliament there could be no revision of the Bank Act passed. That would mean there would be no Bank Act on April 1 of this year, with the result that we would have no banks. That is an indication of the precarious way this Minister of Finance is directing the finances of this country.