

referring to some of those lenders who are subject to attack by supporters of the government when the borrowers and depositors legislation was introduced here and then allowed to die on the order paper.

It was interesting to note that when the legislation was introduced the then minister—I think he was the seventh in a row of nine or ten—spoke of an illegal rate of interest and stated that the highest rate of interest the government would consider would be something like six times the prime. In any event, it worked out to something like 50 per cent per annum before a rate would be illegal. And here we have the banks lending with a very small margin, because they pay interest, of course, on the amounts they lend out. They try to pay a rate of interest as high as possible to their depositors, and lend money to other Canadians who need it for individual purposes at 2 per cent or so over the rate. Indeed, sometimes the margin is no more than one and a half per cent. In any event, a real service to the community is being done in this field.

There is another and lesser known area, that of factoring. Many businessmen know how useful the banks are in factoring accounts receivable, say, in direct payments. What do we expect the banks to do in the future? Here is a real opportunity for the government and for the opposition to change the direction of banking in Canada. If the government would only come forward and let us know what plans it has, we could have something to say about the issue and so could the banking community.

With reference to other fields in which the banks might become involved I can only say I see certain dangers. For example, the banks want to become more involved in leasing. I see danger in this. I know there are many ordinary Canadian businesses which lease equipment and so on. If we consider the matter closely we see that leasing, after all, is only another way of borrowing money and that the one operation can be directly related to the other. If the banks were to step into the leasing field they would be competing with those who already lease equipment. When a lessor wanted to increase his line of credit with a bank the tendency, inescapably, would be for the bank to say: We are sorry, we have come to the end of the line of credit we are authorized to extend to you. The door would then be open for that bank, or any other bank, to jump in without restriction and offer to take the contract as a condition of providing the equipment. That is one possibility. There are undoubtedly others which would arise in connection with the expansion of banking activities. Thus it is important that the government get its legislation into the hands of the committee where it can be studied very carefully.

Finally, it is urgent that the bill before us be passed so that the banks will have this element of uncertainty removed from their operations and they will not be wondering whether they will still be in business after the end of next month. The best thing I can think of now as a member of the opposition is to urge the government to produce its revised act as they have promised to do very soon, but which we have not yet seen—

Mr. Stevens: Shame!

Bank Act

Mr. Clarke: My hon. friend says "Shame" and that is a fitting note on which to end. Let the government cease to follow these shameful delaying tactics which are imposing such uncertainty upon the banking and business community.

Mr. Les Benjamin (Regina-Lake Centre): As a country boy from Saskatchewan, Mr. Speaker, I have been listening to hon. members from both sides speak on this measure. I want to take only a few minutes in which to remind the House that all this bill does is extend the provisions of the present Bank Act for another year while the government, like governments before it, agonizes about what should be done with our banking legislation.

In the history of this country, transportation and transcontinental railways were used as instruments of national policy. It seems to me this should be even more the case when it comes to banks and banking: they should be used as a tool of national policy. They should be used as a tool in terms of social policy, the direction of their investment, the kind of profits they make, how they treat their employees and their ethics or conscience in their dealings with Canadians, with their employees, and where they deal in other parts of the world. If anything has been lacking in financial institutions over many decades, it is some kind of conscience in terms of social policy, the ethics of who they deal with and how they deal with them.

● (2102)

One can go back 2,100 years. I do not want to infringe upon the territory of my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), but the parable of the money changers being driven from the temple is even more applicable today. It may have happened 2,100 years ago, but they have snuck in the back door and are here again!

The banks of our country whose depositors, borrowers and shareholders are Canadians are very large and efficient operators in the world banking industry. They are Canadian owned and operated for and by Canadians. When they deal outside of our boundaries, similar to the way investors did with the Hitlers, Mussolinis and Stalins of this world, one has to ask whether that is the kind of conscionable financial institutions we want in this country.

Mr. Clarke: Yes.

Mr. Benjamin: The hon. member for Vancouver Quadra (Mr. Clarke) says yes.

Mr. Clarke: To protect the depositors.

Mr. Benjamin: To protect those depositors who invest money in military dictatorships in Chile and to protect the dividends of those shareholders. Canadian money is provided to bolster a racist regime in South Africa and the hon. member for Vancouver Quadra thinks that is great. One of the reasons Jesus drove the money changers out of the temple was, I believe, because of the exploiting of people. That is a nineteenth century, or even older, philosophy or creed which says it is okay to do anything to make a buck.