

Bank Act

regulations. I think it was the hon. member for Comox-Powell River who was taking a look at the regulations proposed at that time, and he could really find no difficulty with them. I suppose he would like to see all of the regulations described at the committee set out in the statute. That might be appropriate in some cases, but business conditions change in this country. I suggest that the way the clause right now is probably the best than can be done by any draftsman with respect to controlling the activities of the banks in this field.

• (2150)

[Translation]

Hon. Pierre Bussières (Minister of State, Finance): Mr. Speaker, I should like to take a couple of minutes only to indicate to the House the government's concern to protect small business effectively when drafting that clause of the legislation. But the hon. member for Comox-Powell River (Mr. Skelly) did say that the computer sector was changing extensively, that it was developing with startling rapidity.

In the same way, Mr. Speaker, it must be recognized that with the advent of computer techniques in the financial and banking institutions the modes and operating processes of banking activities will change also. For more protection, we have reintroduced within the regulations the flexibility needed to adjust ourselves to that development in order to maintain the protection we want to give small businesses.

[English]

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to say a few words about this matter of the banks and data processing. I recall when the Bank Act was before us several years ago the numerous machinations we went through when this matter came up. A great deal of concern was expressed by members of the committee about the bank putting undue pressure on small business. I believe one of my colleagues has already mentioned this. Perhaps the banks were trying to tie the small businessman's line of credit with the offering and taking of data processing services.

During that period I purchased a computer for my own business. We approached the bank and told the bank what we were going to do. The bank told us they would have that service available and offered it to us. We decided not to take it because we wished to remain flexible. We told the bank that at some time we might want to change from that bank to another bank. There were no hard feelings about that and the bank told us they appreciated our comments.

I think we have gone as far as we should go. I think what is in the act now is proper. While it is all right in this part of the country in large urban centres to talk about small computer companies offering services to small business, we should also bear in mind that there are parts of the country where the services are not available. There may be many small businesses desirous of using that service from banks. It may be to their advantage to do so and we should not preclude them out of hand from that opportunity. I think the provision in the bill as

it stands is right and proper. From my own experience, the banks take no exception if you do not wish to use this service. I think that is a very mature way of looking at it.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the said 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 negatived on division.

Motion No. 23 (Mr. Rae) negatived.

The Acting Speaker (Mr. Blaker): The House will now proceed with motion No. 25 standing in the name of the hon. member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West) moved:

Motion No. 25

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 lines 25 to 29 at page 177 and substituting the following therefor:

"an amount equal to ten per cent at that time of the total domestic assets of the bank in Canada as shown in the compilation of schedule Q of this act."

He said: Mr. Speaker, logically motion No. 24 and motion No. 26 should be discussed together and then motion No. 25. While motions numbered 24 and 26 are really related, motion No. 25 comes at the bottom of the section. This will become clear as I explain it along the way. I want to refer to motion No. 25 in part and then I will come back to it later on.

The purpose of these three amendments, Nos. 24, 25 and 26, is to deal with the ability of the banks to lend money on the security of a mortgage on real property. I remember back to 1966 when we were putting in amendments to the act as it exists today. Up to that time the banks had not been allowed to lend money on the security of a mortgage on real property. It was felt that as major financial institutions they should take some part in the financing of home construction in the coun-