

Mr. POPE: I am suggesting that an unfortunate side product of this section is that by implication it very severely limits the authority which Parliament has under the constitution.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): But that restriction would be removed if there were a definition of what constitutes a bank.

Mr. POPE: Admittedly, sir, I think this is a dangerous game to play. I think it would result in difficulties in the courts eventually if one tried to define banking. Yes, I really do, sir. In other words, the situation is ideal. The British North America Act allots banking to your responsibility, the responsibility of the federal government. Fine. That is sufficient definition, "banking". That gives you the whole thing.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): Yes, but if you do not know what banking is, how do you do this?

Mr. POPE: First of all there is the common sense of the legislators. When they talk about banking they know pretty well what they mean. If the matter goes to the courts, as it has in England, I suggest that leaving it tenuous in this way gives you more scope for proper legislation, more scope for control and more scope for stepping in and saying that this is a bad situation. In banking we will take steps to correct it which, practically speaking, you do not now because so many people have the idea that you only control through the Inspector General the seven or eight banks that we refer to in this country as chartered banks. The practical result of this wretched section is that you only consider yourself responsible for the seven or eight chartered banks and not all the other bankers. Now, I have broken the law because I used the word "bankers" to describe other people.

Mr. CAMERON (*Nanaimo-Cowichan-The Islands*): No, you have not broken the law, but they would if they used it.

I will leave that point just now. I am interested in your suggestion that the use of the word "bank" which has, as you point out, the effect of preventing foreign banking institutions from establishing themselves in Canada, is necessarily a bad thing. I would like to have from you a little more specific information about the more sophisticated banking services to which you refer. I must admit I am inclined to agree with Dr. McLean that apparently Canadian businesses can do business throughout the rest of the world and I really must point out to you again what Dr. McLean pointed out to you, that the position of sterling and the American dollar is as the result of the decision of the International Monetary Fund, a decision taken because of the economic position of those two countries. It does not matter what we do; we could alter our legislation here as much as we liked and the Canadian dollar would not assume that position vis-à-vis the International Monetary Fund. You stress the fact that we do not buy or sell with Canadian dollars and that foreign currencies are not current in Canada, but this is true of every country. The definition of a currency is that it is the only currency that circulates within a political entity.

Mr. POPE: I was making reference to the practice in continental financial centres where cross markets in foreign exchange are made in every European currency. They are not in Canada.