

*Private Bills*

co-operation from the house today. I suggest that we revert to the hazardous products bill and deal with a very minor amendment.

**Mr. Deputy Speaker:** Is that agreed?

**Some hon. Members:** Agreed.

**Mr. Deputy Speaker:** I make this one rider, the two previous private members' bills will retain their precedence. I don't think the hon. member for Skeena (Mr. Howard) mentioned that.

**Some hon. Members:** Agreed.

**Mr. Laflamme (for Mr. Guay, Lévis)** moved that Bill S-27, respecting The Quebec Savings Bank, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

● (4:10 p.m.)

[*Translation*]

**Mr. Ovide Laflamme (Montmorency):** Mr. Speaker, the main objectives of this bill, which has been passed unanimously in the Senate, are to authorize the Banque d'Économie du Québec, in operation since 1948 under the terms of a special legislation of a Canadian province and which since April 21, 1871 has pursued its activities under the terms of a special legislation similar to the Bank Act, to purely and simply become a bank like any other bank, subject to the general regulations applicable to charter banks in Canada.

Mr. Speaker, I shall only say a few words to draw your attention to the fact that, following a meeting of about 500 shareholders of the Banque d'Économie du Québec, it has been agreed and resolved to bring forward this bill in order to allow this chartered bank, which has been in operation for many years and has 27 branches in Metropolitan Quebec and whose deposits amount to over \$60 million, to meet its obligations and compete with other financial institutions. In fact, the main purposes which the savings bank had set for itself at the beginning are now carried out by other financial institutions, especially the credit unions and the "caisses populaires".

The aims pursued by the savings bank formerly must be amended, and though this new direction has some disadvantages for the Quebec savings bank, especially with regard to its reserves, which are of 5 per cent, and which it is empowered to deposit to the bank to receive interest, it will have to comply with section 72 of the bank act, that is deposit

in the Bank of Canada 4 per cent of its reserves in term deposits, and 12 per cent of its reserves in demand deposits.

This bill is being introduced, on the whole, not to create a new bank but to enable a particular bank in existence for many years to extend its activities.

I submit that hon. members might suggest to the committee on finance, trade and economic affairs, to assign the directors and the principal employees of the bank who will then be able to provide all the information and details concerning its operations.

Mr. Speaker, if the savings bank becomes a chartered bank, it is not really a matter of creating a new bank, because as far as its capital and reserves are concerned, it already falls under the jurisdiction of the general inspector of banks.

As I say, all its shareholders are Canadian citizens, and more especially, Quebecers.

The object of the bill is to enable the bank to avail itself of powers granted to banks generally, which will enable it to compete with other financial institutions, to enter on the business market and engage in a new activity.

At the present time, it can grant mortgage loans, since 1954 only, and it can also grant personal loans.

I would like to go over a few points discussed by the inspector general of banks in his testimony before the Senate committee which studied this bill. He declared that to compensate for the inconveniences, which I enumerated a while ago, and for the losses of revenue which the savings bank will undergo because its reserves will be deposited with the Bank of Canada, it will have to move into the industrial and economic fields.

That is why the Quebec Savings Bank which is unable to expand today wants to become a financial institution like the others, in order to become competitive and to meet its engagements.

Mr. Speaker, under the circumstances, I respectfully suggest that the bill be referred to the committee on finance, trade and economic affairs for examination.

[*English*]

**Mr. Howard (Skeena):** Mr. Speaker, we are somewhat pleased to be able to cooperate with the hon. member in "deseparatising" this bank, making it more of a national structure than a provincial one. However, we do so with a certain amount of