

108. That all preferred shares and subordinated debentures having an outstanding maturity or retraction right exceeding 5 years and forming part of secondary capital of an institution be allowed to have the weight equalling one third of common equity in determining leverage, and that such instruments with a maturity or retraction right of less than 5 years be subject to a straight-line amortization for leverage purposes.

Double Leverage

109. That the amount of equity investment in subsidiaries except real estate subsidiaries created by all federally regulated financial institutions be deducted from the base capital of the investing institution.
110. That when share investments in any existing financial institution exceed 20 per cent of the voting stock of that institution, the entire amount of investment be deducted from the base capital of the investing institution.

Commercial Lending

111. That all investments for which no specific aggregate limits are imposed be considered as basket clause investments for non-bank financial institutions;
112. That the aggregate limit on basket clause investments for all non-bank financial institutions be established at 15 per cent of assets.
113. That the requirement for chartered banks to maintain non-interest bearing cash reserves with the Bank of Canada be eliminated;
114. That the Minister of Finance, if necessary, to make up this loss of revenue, consider the advisability of imposing a tax on the total deposits of all deposit-taking institutions.

Quality Mortgage

115. That the definition of a quality mortgage with respect to owner-occupied residential property include first and junior mortgages provided the following conditions are met:
 - a single financial institution provided both the first and the junior mortgage loans;
 - no third party claim on the property in question;
 - the total value of the first and junior mortgage not exceed the 75 per cent loan to value ratio;
 - no single mortgage loan exceeding 15 per cent of shareholders' equity of the lending institution.