

Bank Act

strenuous exercise in extension of comments in which the minister indulged last Thursday when he proceeded to talk out his own bill until six o'clock. Be that as it may, the minister did make reference to certain studies which the government was making of this legislation at the present time. I intend to refer to this a little later. First, I should like to hark back briefly to some remarks made by the minister's predecessor in office on June 14 last when we were considering a similar bill at the resolution stage.

● (5:30 p.m.)

The minister at that time could not follow a suggestion I had made that the bill should be extended to June 30, 1966 rather than December 31, because he did not feel that following the announced summer recess we would have time to hear the public representations, make the appropriate deliberations and guarantee that the bill would be through this house and the other place. There was a procedural difficulty. However, I wondered how sanguine the Minister of Finance was really being at the time and whether he was not speaking with his tongue in his cheek. Obviously he had made up his mind he wanted an election in the fall and he knew then that if there were to be an election in the fall there would be no question of the house considering the bill which was before us then in time for the expiry date of December 31. However, I think events have been fortuitous in that in the interval there has occurred an event which has given the government an opportunity to review the amendments it had proposed to the Bank Act.

Criticism had been made to the original version of Bill C-102 that there was insufficient control over certain trust companies and near banks which are involved in our financial system and, of course, the Atlantic Acceptance Corporation debacle with all its consequences certainly demonstrated that. Certainly in the end result Canada and its financial organization will be the better for the fact that the Bank Act had not been considered and passed prior to these events.

The minister did indicate the other day and also at the Canadian Club on January 23 that the government was considering many changes with regard to the Bank Act. The minister was a member of the ministry which last year put forward a certain Bank Act bill. Presumably he agreed with the amendments at that time, but now he has had an opportunity for further thought and has made

[Mr. Lambert.]

other proposals. May I hope, in all earnestness, that these will be in those areas which will be of the greatest benefit and that we will not have some of the difficulties that were pointed out in the last version of the bill. In any event I do not anticipate that we will receive the new Bank Act before the budget; I do not think one can expect it. Therefore we are waiting with anticipation not only for the budget, but for the changes in the Bank Act. Frankly I am a little dubious about the date of December 1, 1966. A great deal of water has to flow under the bridge before the amendments will receive the appropriate consideration in this place and in the other place, taking into account the public representations which have to be made. However, I can assure the minister, on behalf of myself and my colleagues who are members of the Finance, Trade and Economic Affairs Committee, that we intend to give the bill the most careful scrutiny in the committee, and the earlier the government can bring it forward the better off I think the whole business community will be. I urge upon hon. members of this house the early passage of this bill.

[Translation]

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, last Thursday, March 10, the Minister of Finance (Mr. Sharp) in his brief speech mentioned the amendments and reforms which the government will soon bring to the Bank Act.

As reported at page 2498 of *Hansard*, the Minister stated:

—there will be some desire to know what progress the government is making on this very important legislation namely, the substantive amendments that I hope to bring forward in due course in the next few weeks.

And several comments followed.

Since the Chair allowed the minister to open the way to eventual reforms, I take the liberty today to suggest some reforms that might be contemplated in the present economic situation.

First of all, Mr. Speaker, in view of the fact that the Bank of Canada increased its discount rate to 5½ per cent, it is more necessary than ever to remove the 6 per cent interest rate ceiling imposed on chartered banks.

Besides, that suggestion is based on comments and serious studies made in that regard. I would like to quote, among others, the