

Bank Act

appreciation of the manner in which the hon. member for Essex West performed his functions as chairman.

Some hon. Members: Hear, hear.

Mr. Cameron (Nanaimo-Cowichan-The Islands): He performed them with, I may say, unending patience in circumstances which often would have tried the patience of a Job, with unflinching courtesy, and always in complete control of the proceedings and with a complete understanding of how far we had got. I think this house owes the hon. member quite a debt of gratitude for the long and arduous task which he undertook. There were 79 meetings on the Bank Act, and if you contemplate 79 two-hour meetings, Mr. Chairman, you can understand that it was quite an ordeal.

As the hon. member for Perth remarked, I think he and I are the only survivors—it makes us sound rather like relics—from the previous revision of the Bank Act, now 13 years ago. I have been impressed, not so much with the changes in banking technique, developments of monetary policy and monetary theory, as with the change of attitude on the part of the committee, and I think of the general public, toward banks. After all, there has been no essential change in the business of collecting people's savings and lending them out since the days when the Lombard goldsmiths discovered that only a few of the people whose gold they guarded came along on the same day, and they could lend the rest of it at usury.

The process is much the same today. We have perhaps instituted a more polite word for usury; we now use the word "interest", and governments instead of goldsmiths provide the basis upon which loans are made. But the business of money lending is much the same as it has always been. However, the attitude of the public toward money lending and money lenders has gone through a number of changes, and after being for a while considered a rather dubious class of people who performed their functions furtively in back alleys they suddenly blossomed out into being almost high priests installed in massive marble temples and conducting mysterious rites that were beyond the comprehension of the ordinary citizens.

It was thought that any prying into these mysterious rites was, of course, bound to bring down divine wrath on all. Even 12 years ago there were still traces of this attitude. I remember that it arose over the matter of the inner reserves, which everybody

often referred to as hidden reserves at that time, increasing still more the air of mysterious sanctity over banking operations. This time I think the committee and the banking fraternity almost took the matter in their stride. There were some squeaks of annoyance from the bankers that they would now have to reveal the amounts of their inner reserves to the whole world rather than to the private ear of the minister. It became evident that the real change was not in respect of any fear of the stability of the banks in the mind of the public, but that this system might reveal some slips in judgment on the part of those who look after the affairs of the banks; they did not like to have these revealed to their opposite numbers in the banks. In fact, as one bank official told me, it was a case that he did not want his mistakes to be made public. I suggested to him that we were not there in order to legislate to protect his vanity.

However, they took it in their stride, and it may be that the banks today recognize that the decline in the religious field, about which there is so much lamentation, has extended almost to their sacred mysteries too. It may also be as a result of the change in the economy, and technology, that we now have changed our attitude toward our banking institutions from regarding them as a sort of sacred mystery to being merely a piece of economic machinery; a complex one, but one which can be understood if one wants to lend his mind to it. I think this was the approach of the committee this year.

Our approach was, how well do the banks perform their functions? We were not particularly concerned this time with the question of whether the banks were safe and stable. No one had any doubts about that. We were not particularly concerned with the prices they charged for their services. Most of us have the conviction that they charge too much and should be clipped back, if we can do so. We were more concerned about finding out whether they were efficiently performing their functions. One of the witnesses, a former bank official, advised the committee not to waste its time trying to decide whether the banks were good guys or bad guys, but to remember that they were merely good businessmen out to earn a dollar and we should concern ourselves with whether or not they were performing their functions effectively.

I think it is fair to say that any doubts left in the minds of the committee about banks were perhaps some doubts as to whether they are imaginative and enterprising enough in