

Bank Act

per cent. But if the government thinks that it can control the banking business at 8 per cent, that is appropriate.

A number of the amendments before us deal with consumer and corporate matters. Amendments on consumer matters have been introduced by the hon. member for Broadview-Greenwood (Mr. Rae) and the hon. member for Comox-Powell River (Mr. Skelly). These amendments tend to seek to control the activities of banks in particular. It is my feeling and, I think, the feeling of this party, that such provisions should not be in the Bank Act but rather should be contained in general commercial legislation and that we should have a new interest act in Canada which would control all lending institutions with respect to how they make disclosure, how they calculate their interest, and the like. There is a need for such legislation largely because there are other financial institutions in this country apart from banks. The calculation of interest and the disclosure of contract terms should be introduced in other legislation and not be inserted into the legislation we are considering at this time. These matters should specifically be dealt with in this new act, matters pertinent only to banks and to a broad range of corporations which are in the money business.

A number of representations have been made since the conclusion of the committee's sittings. Representations were made by the Continental Bank, and I commend to the minister motion No. 42 on the order paper which would give relief to the Continental Bank, the Northland Bank, the Bank of British Columbia and the Consumer and Commercial Bank from the strictures which we sought from the minister concerning the reserve requirements for those smaller banks. The minister will recall that reserve requirements were eliminated and that as a result of the study of the whole matter of trust companies, an amendment was made to section 208(d). It may well be that for the smaller banks, the ones under \$3 billion, some relief should be given with respect to reserves.

It is important also that at this stage of the debate the minister give us a commitment, as he did to the committee, that he would introduce a new loan and trust companies act and that in accordance with our suggestion regarding reserve requirements he would amend the Bank Act and change the reserve requirements. All of us here know how long it takes for new legislation to be introduced. Indeed, the minister suggested in the committee back in June that he would have a loan and trust companies act before the House in the fall. Well, fall is fast going; it is just about gone with the snow flakes we see around us, and we have not seen that legislation introduced as yet. I suspect it is not yet in shape to be introduced. Perhaps the minister might comment on that aspect but it is an important piece of legislation which should be introduced and studied to ensure that the trust companies, those engaged in mortgage lending and so on, have their powers broadened or changed so that the kind of competition which should exist in our financial institutions is retained in view of its importance for the commercial health of Canada.

We have before us also an amendment of my good friend, the hon. member for York-Peel (Mr. Stevens) with respect to

a matter involving what I would call the Grindley Bank amendment in motion 51. I would commend this to the minister as well. It is a motion which would solve a problem which I understand is a unique one, much the same as the problem which the minister had in his amendment concerning the amalgamation of the Continental Bank and IAC Limited. Those are special amendments which perhaps only help one institution, but in a complex banking system, a system which we want to improve, problems were caused by reason of the fact that we did not define the business of banking with respect to foreign banks operating here; we did not prevent people from using the word "bank" in their provincial incorporations, and so on. These problems have arisen over the last 12 or 14 years, and the amendment in motion 51 might well solve the problems which bringing all foreign banks into the act would present.

Generally speaking, Mr. Speaker, we have before us an excellent piece of legislation. With some of the amendments that are here and which I would recommend to the minister, and further amendments which the minister and his staff have added, this legislation should be passed quickly. I was unhappy when my colleague, the hon. member for Edmonton West (Mr. Lambert) suggested six days, though certainly he has been around bank acts longer than any of us. It would be gratifying if this legislation could be passed faster than that.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, I wanted to say a few words in introduction to the number of motions which our party has put forward with respect to the Bank Act. I would like to say, in introducing these remarks, how much I appreciate the efforts of the minister to take the time to consider the proposals we have put forward. I cannot say that I am happy with the substance of his acceptance, but when it comes to the process, I must say I have been impressed by the minister's willingness to deal seriously with the proposals we have put forward and to attempt to recognize the merits of what we have had to say. I hope that something of the minister's spirit and character will also be a characteristic of the government's attitude with respect to a number of other items which are currently being discussed.

● (1510)

With respect to the Bank Act I think the position of our party is clearly on the record. We have had a number of discussions in this House and in committee with respect to this act and the extension of other acts, so I do not think there is any need for me either to recite the same poems I recited before or the same examples I recited before. I think it is sufficient simply to say that in my view, and as expressed by my colleague, the hon. member for Kamloops-Shuswap (Mr. Riis), the difficulty with this kind of legislation is that it suffers from what Marshall McLuhan has described as the rear view mirror syndrome many of us have. Instead of looking forward to the problems which in a sense are simply here today in a very small and growing form and seeing where these tendencies will take us, there has been a tremendous tendency in this legislation to look at problems which grew up in the