

*Bank Act*

shed more light on this massive bill reported by the committee which we are now considering at the report stage.

I express special thanks to the members of the standing committee who studied this bill. I would not want to go over the background and the maze through which the bill went, but I would simply recall the work stages we have experienced since this Parliament took over the bill. Personally I must confess that I felt all committee members had a common will to reach three objectives. The first objective was to recognize the urgency of this legislation and to study it rapidly without, however, neglecting any aspect whatever. The second objective was to keep in mind that as a standing committee we had to provide the people of Canada with the best possible legislation to govern banking institutions and practices in Canada, the one which would most contribute to improve banking operations in the interests of all Canadians.

Of course, we also aimed at ensuring through this legislation mechanisms which would allow these institutions to continue to work in the interests of Canadians, mechanisms which would continue to develop in the interests of economic growth in our country, mechanisms which would continue to be extremely competitive to ensure that the Canadian financial institutions remain healthy.

● (1240)

Of course, the bill has come back with some amendments at the report stage, but its basic philosophy and underlying principles are still the same. We have added a few amendments, mainly to accommodate special concerns which are shared by the great majority of the members who worked on the standing committee, and I firmly believe that these amendments were made in the spirit that I described earlier, that is, that they aim at improving the bill in the interests of Canadians, the financial institutions and the banking institutions themselves. I am convinced that the amendments made in the committee meet both objectives.

The first amendment which I want to discuss concerns the incorporation of banks. Hon. members will recall that this bill provides a new formula for obtaining the status of bank. This formula will expedite the process. It provides that letters patent can be applied for to be able to use the designation of bank and be subject to the Canadian banking legislation. As I recall, this provision was discussed at length, and our colleague, the hon. member for Edmonton West can correct me if I am wrong since he followed this process much more closely than I did. The Senate committee had already suggested this amendment and the hon. member for Edmonton West brought it up several times in the committee. According to this amendment, public hearings must be held when a financial institution applies to become a bank either by obtaining letters patent or by incorporation. The House will recall that our objective of promoting competition and having more institutions in the field of banking motivated the search for an easier process to

be used by institutions wishing to become banks. Some had objected that absence of any public hearing could eventually go against the public interests.

The Senate committee which studied the bill came to the conclusion that some sort of an examination was appropriate. The government therefore accepted an amendment, which was supported by a large majority of committee members, and which provides a mechanism through which the Inspector General of Banks has the discretionary power to hold an inquiry on the issue of letters patent if he believes that such an inquiry is desirable. The inspector general will report to the Minister of Finance if he deems that the objections put forward during this inquiry are justified and deserve a very particular attention from the minister.

There is a second amendment to which I wish to draw honourable members' attention, and which is found in the revised version of Bill C-6 as reported by the committee. It deals with the issuance of licences to foreign banks. The provisions of clause 28 have been lightly changed. During the first five years of operation of a foreign bank in Canada, it will have to have its licence renewed every year. After five yearly renewals, its licence will be renewed for a three-year period. The spirit in which this amendment was put forward, as committee members will remember, was that it would enable the government to implement better both the spirit and the letter of those provisions which relate to foreign bank subsidiaries carrying on business in Canada according to the provisions of the new legislation.

There is a third amendment with which I would like to deal and which was reviewed in committee, that is the provision concerning the claims of particular agricultural producers' groups, the Canadian Agricultural Federation, the Canadian Cattlemen's Association, which can be found in clause 178 of the legislation before us, that is section 88 of the present statute, in order to grant priority rights to all agricultural products. Obviously, the Canadian Cattlemen's Association was making representations so that herds are covered. We have widened this provision to meet the request of the Canadian Agricultural Federation and at present the provision of clause 178 reads as follows: all agricultural products. Moreover, we have ensured greater protection by adding to the money limit or ceiling a priority protection which is insured up to \$100,000. And those honourable members who have followed the debate in committee will recall that this \$100,000 ceiling is related to some kind of indexing formula of farm products. Therefore, Mr. Speaker, this is a most important improvement and I am very pleased to say, as a government member, that we are meeting formal commitments which we made as Liberal members during the electoral campaign.

Another amendment deals with the financial leasing for household effects. And I would be remiss in not reminding honourable members that the debate in committee as regards leasing went to the very heart of the matter and dealt with the