

dential property in Canada. The words "improved real or immovable residential property" are defined in section 6 as follows:

In this section "improved real or immovable residential property" means land or immovable property upon which there is situate a building that constitutes a permanent improvement to the property or on which there is such a building in the process of construction, if at least one-half of the floor space of the building is used, or in the case of a building in the process of construction, is to be used, for residential purposes.

So there is a considerable restriction on the power of the bank to loan money on mortgages. Under the same section the banks are authorized to lend up to 40 per cent of their deposit liabilities on these types of mortgages, including those under the National Housing Act.

**Hon. Mr. Davies:** May I ask the honourable member a question? If all these amendments are accepted, will the savings banks not become commercial banks?

**Hon. Mr. Power:** Indeed not. Unlike the chartered banks, they are specifically prohibited from lending money on warehouse receipts, goods, and merchandise, or from carrying on an ordinary commercial business.

Under a new subsection, the banks will no longer be restricted to a rate of interest of 6 per cent on all mortgage loans.

Section 7 gives some indication, perhaps, of the origins of these two banks, which have funds accumulated for the benefit of the poor in the communities in which they are established. I am not too sure what becomes of this fund in Montreal, but in Quebec City, La Banque d'Economie, formerly known as La Caisse d'Economie de Notre-Dame de Québec, has its poor fund from which every year it distributes certain sums of money to the St. Vincent de Paul Society. I think in Montreal there is a similar custom, because I note that the Montreal City and District Savings Bank has an amount of \$180,000 set aside. The securities invested on behalf of these poor funds were formerly invested with the approval of the Treasury Board, but that section seems to have been dropped, and the banks are allowed discretion as to the manner in which these moneys are to be invested.

The final section, which governs reports to the minister, is routine.

Honourable senators, if second reading is given to this bill I shall move that it be sent to the Banking and Commerce Committee, where officers of the department who are familiar with the operations of these banks will be called to give all information required.

**Hon. Mr. Aseltine:** May I ask the honourable senator if the bill has been approved as to form, and if so by whom?

**Hon. Mr. Power:** This is a Government bill.

**Hon. Mr. Aseltine:** Has it been approved by the department?

**Hon. Mr. Power:** I take it that the department approves of it. At any rate, departmental officials and inspectors of banks will be available to give information if the bill goes to committee.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Power, the bill was referred to the Standing Committee on Banking and Commerce.

#### DIVORCE

##### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 116 to 122, which were presented on Thursday, January 31.

**Hon. Arthur W. Roebuck,** Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to, on division.

##### BILLS—SECOND READINGS

**Hon. Mr. Roebuck** moved the second reading of the following bills:

Bill P-2, an Act for the relief of Leonard Bloom.

Bill Q-2, an Act for the relief of Helen Mary McEachran Cole.

Bill R-2, an Act for the relief of Frances May Cousins Stone.

Bill S-2, an Act for the relief of Gwyneth Owen Young Douglas.

Bill T-2, an Act for the relief of Beverley Carol Wilson Barnes.

Bill U-2, an Act for the relief of Katharine Kimball Little Blake.

Bill V-2, an Act for the relief of Frances Elizabeth Lyon Rose.

Bill W-2, an Act for the relief of Sylvia Elizabeth Goodfellow Rief.

Bill X-2, an Act for the relief of Anne Griffith Brown.

Bill Y-2, an Act for the relief of Dorothy Ellen McCulloch Ritchie.

Bill Z-2, an Act for the relief of Marie Rose Elizabeth Giroux Lefrancois, otherwise known as Colette Giroux Lefrancois.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Acting Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

The Senate adjourned until tomorrow at 3 p.m.