

look at the countries which have more banks than Canada, their interest rates are lower than here. It is one thing to talk about more banks but another thing to see how they operate.

● (1642)

We have a government which is adopting a casual approach to the Canadian economic system. We have a large outflow of capital funds leaving Canada. Our dollar is dropping drastically. It is now lower than 90 cents even though the Minister of Finance (Mr. Chrétien) is trying his best to borrow funds abroad in order to prop up the dollar. Unfortunately there is no money market here in Canada, and we are not sure that the minister will be able to alleviate the situation by borrowing abroad. Our balance of trade is poor. It is billions of dollars in deficit. For many years the government has had high deficits. We are not sure what the amount is at the moment since the Minister of Finance is not presenting a budget. However, we do know that we have very high government spending. During the last ten years in which the present Bank Act has been in existence, government spending has risen from \$10 billion to \$50 billion. That demonstrates what has happened to the money market. We should have a new Bank Act brought forward in the face of the government's spending and the sums of money it is generating itself.

We should not be debating a bill to hoist the new Bank Act for another year. This legislation should be brought forward. It is necessary.

If the government is not proposing to bring forward the amendments to the Bank Act because it is afraid to present it before an election, that is shameful. An important item such as this should not be put off just so the government can go to the people, have an election, and then come back and do something which it says that it is not going to do.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I rise to speak to this bill with reference to another hoist of the Bank Act. First of all I must compliment the hon. member for Selkirk (Mr. Whiteway) on his forceful address. I felt the arguments and points he presented were legitimate.

Voltaire once remarked that if you wanted to talk to him, that is, Voltaire, about God, you should first define your terms. And so with the banks. I do not want to give members the impression that the banks and God are synonymous. If we hope to discuss banks and banking with clarity we should define our terms. It is curious that there is no real definition of a bank in the Bank Act. In the interpretation section, 2(1), "bank" means a bank to which this act applies. Section 4 reads, "This act applies to each bank named in schedule "A" and does not apply to any other bank". We are not much wiser. Except that a bank is a bank. Obviously, however, it is implied that there are banks other than those listed in schedule "A".

The other day I received a letter from the Minister of Public Works and Minister of State for Science and Technology (Mr. Buchanan). He said to me:

Thank you for your letter of 25 January 1978, concerning Sun Systems Limited.

Bank Act

It is true that the Government of Canada, in responding to the energy crisis, did not immediately embrace the ideas of exploiting renewable energy resources, particularly solar, with the same urgency as the United States or some other countries. Our solar program began in 1976, about two years after the United States.

We still lack the large program of government procurement and subsidies or incentives for private solar installations that will be needed to provide a sufficient market to foster the Canadian solar industry at this pioneering stage.

What has that to do with the Bank Act? In reading those two paragraphs in this letter I was immediately struck with the similarity of the circumstance in that particular ministry with the similarity of the position taken by the Minister of Finance (Mr. Chrétien) and his inexcusable delay in bringing forward the Bank Act. I do not think there is a subject of federal and national concern to which we can turn today without finding that the government is about two years out of step with everybody else. Of course if you were to ask the government they would say everybody else is out of step with them.

An hon. Member: Yes.

Mr. Brisco: One of the hon. members from the Liberal side has agreed with me. That is a further demonstration of Liberal government thinking, two years behind everybody else and out of step with the nation.

Recently the Inspector General of Banks wrote to someone with whom I am acquainted in terms of bank involvement. I quote from that letter:

The Office is established by the Bank Act, an Act of the Parliament of Canada, and the powers and responsibilities of the Inspector General are set out in that legislation.

He goes on to quote Section 68(2) of the act, and this is a quote from the act provided by the Inspector General of Banks. That is an onerous title. It imparts to me and to the casual observer or those affected that here is someone who is in a position to make major decisions in terms of bank operations. It reads as follows:

The Inspector or any other person appointed or employed under section 64 or any person to whom any powers are delegated under sub-section 65(4) shall not disclose to any other person, except the Minister, the Deputy Minister of Finance or the Governor of the Bank of Canada, or a representative of the latter if authorized by him in writing, any information regarding the business or affairs of a bank.

If there ever was a need for a revision of the Bank Act that clause in itself clearly indicates the urgency of revision. Just how protectionist can one get? That smacks of the same kind of government secrecy Canadians have experienced since the Liberals came to power. The Inspector General goes on to say:

As you will now understand, this Office is prevented by law from revealing to you any information that might come into our hands regarding the business or affairs of a bank.

● (1652)

Section 65(1) of the Act states in effect that the responsibility of the Inspector General is to inquire into the affairs of a bank annually "for the purposes of satisfying himself that the provisions of this Act having reference to the safety of the creditors and shareholders of the bank are being duly observed and that the bank is in a sound financial condition..." This section has always been interpreted as a responsibility in relation to the solvency of a bank. The broad powers of inspection given to this office are for the above purposes.