

[Translation]

### MOTIONS FOR PAPERS

**Mr. Yvon Pinard (Parliamentary Secretary to President of Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Some hon. Members:** Agreed.

[English]

**Mr. Speaker:** Shall all notices of motions for the production of documents be allowed to stand?

**Some hon. Members:** Agreed.

### GOVERNMENT ORDERS

[English]

#### BANK ACT

##### AMENDMENT TO EXTEND OPERATION TO APRIL 1, 1979

The House resumed, from Tuesday, February 28, consideration of the motion of Mr. MacEachen (for the Minister of Finance) that Bill C-16, to amend the Bank Act and the Quebec Savings Banks Act, be read the third time and do pass.

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, yesterday evening when I commenced my remarks with respect to Bill C-16 I was pointing out that, if the situation was handled properly, Canada had an attractive opportunity in allowing regulated controlled foreign bank participation in our market place. In Toronto, for example, there are some 40 foreign banks which have already opened offices and which are carrying on a banking operation to the extent that the law now permits. I understand that throughout the country there may be a total of 60 banking concerns carrying on business in Canada which have their head offices in foreign countries. In the Commerce Court there are 26 banks which have an office of some description in that complex. This goes to illustrate the potential that exists. We should, therefore, get on with passing the necessary banking legislation to allow these concerns to become participants in the Canadian banking and financial markets.

As I mentioned yesterday, we have a reciprocal agreement. Our Canadian banks, much to their credit, have been active in many countries around the world for some time. The Bank of Nova Scotia is active in such countries as Argentina, Australia, the Bahamas, Barbados, Belgium, Bermuda, Brazil, the Cayman Islands, the Dominican Republic, Egypt, England, France, Grenada, Haiti, Hong Kong, Indonesia, Ireland, Jamaica, Japan, Malaysia, Lebanon, Mexico, The Netherlands, Norway, Panama, the Philippines, St. Lucia, Puerto Rico, Singapore, Trinidad and Tobago, United States, the Virgin Islands and West Germany. I could continue. The Royal Bank

#### Bank Act

of Canada is likewise very active in many countries around the world.

In today's money market, the international market is the name of the game. Banks create activity amongst themselves. Unfortunately we have remained sheltered from this international type of banking. There is a tremendous opportunity for cities such as Montreal, Vancouver, Toronto and Winnipeg—as was suggested last night—to become international banking centres. The potential is there. There are foreign banks active now in the Canadian market to the extent the law will permit. I am referring to very large banks. For example, the Deutsche Bank, which aside from the Bank of America in the United States is the largest bank in the world, has an office in Toronto. Incidentally, there is no particular mystery to the operation of these banks. They are all listed in the yellow pages of the Montreal and Toronto phone books.

In considering what should be done respecting Bill C-16, we should remember that we will be postponing yet again the revisions to our Bank Act. This in turn will mean those foreign banks which could contribute something to Canada, under proper regulation, will be denied for perhaps another year active participation in the Canadian market.

Some of those banks I have referred to have been renting and staffing their offices for two and a half to three years. At some point we must accept the fact that their host countries may respond. If we do not find their banking concerns suitable for doing business in Canada, our banking concerns may possibly have their doors shut. That, Mr. Speaker, would be tragic.

As I mentioned yesterday, the assets of Canadian banks amount to \$150 billion. These banks are quite capable of joining this international banking community, which is a positive element we have. It is said that we should facilitate the development of sectors within the Canadian economy where there is an advantage, and one of those advantages is in the banking community. We are good bankers. We understand finance. In many ways we could become the Switzerland of North America if we would accept that challenge and lead instead of follow.

What we are witnessing with respect to the revisions of the Bank Act is discouraging. Everybody realized the Bank Act had to be changed by June 30, 1977. That was the tenth anniversary of the last revision.

As my leader pointed out today, on March 5, 1974 the hon. member for Edmonton West (Mr. Lambert) asked the government for the first time what did the government propose doing with respect to the review of the Bank Act. Almost four years later we are still hearing from a third minister of finance that the legislation is being drafted. That is shameful. Why is it still being drafted? We are told by the Minister of Finance (Mr. Chrétien) that there has been agreement in principle. The policy has been established, but unfortunately although it has been sent over to the Department of Justice the draftsmen cannot get on with their job. If that is true, it is a tremendous reflection on the workings of this cabinet. It is counterproductive to have the Department of Justice frustrating the will of