

Bank Act

only from the Bankers' Association but others. It has been mentioned here today they were not entirely successful because the number of changes that have been made, as far as that group is concerned, are a bit restrictive. We have had a number of public representations from all across Canada and the input has been most appropriate to the statute.

What we have now before us is a fairly good act. I notice we have 59 amendments presently on the order paper, which indicates the complexity of the statute, and some things must be changed before the act is passed. The 59 amendments we have are nothing compared to the many hundreds of amendments which were dealt with by committee in this Parliament, and by the previous committee in the Thirtieth Parliament. What we have done is taken a statute and refined it again and again. This bill is at report stage now for final refinement, if you want to put it that way. But by comparison what we have done on the constitution is unfair. Public input was limited; debate in this House was limited; the chances of doing something and getting proper public input were definitely limited. If the constitutional debate had had the discussion and the input which this act has had, then I think one would find a great deal of consensus. In fact one would probably find a majority consensus, but without that one gets dissension, distrust, and division.

I spoke on second reading of this debate. Most of the problems I spoke about in committee have been solved, with one or two principal exceptions. For a moment I want to speak about motions Nos. 1, 2 and 3. Those motions go to the very essence of the problems that we still have before us in dealing with the banking system.

The act as now before us does not define what a bank is. Nor does this act define what the business of banking is. It does not define, as suggested by the hon. member for Comox-Powell River (Mr. Skelly) in his amendment No. 3, what a cheque is. Those are fundamental things.

I am concerned when we do not define what a bank is in a bank act. This is an act to define the business of banking, which is supposed to be dealing, controlling and directing what banks are to do in our society. Whenever we speak about the transferring of money from one institution to another or from one person to another through a simple instrument as a cheque, we do not even define what a cheque is. It seems to me almost ridiculous that such definitions are not included. Even at this final stage I implore the minister to reconsider amendments to the act that would go to this essential problem as proposed by the hon. member from Edmonton and the hon. member for Comox-Powell River.

The problem is great because we have found over the past 12 or 14 years that the business of banking and of what the banks do keeps changing. There was no thought 12 or 14 years ago that the banks would be involved in leasing. We had enormous problems in the committee trying to cut down the banks' activity in these areas. We found the banks were almost becoming the merchants of automobiles, in particular the Royal Bank, at one point in time. We were afraid the banks would become merchants of every form of household goods

that one might have. The banks would do that by owning the goods and leasing them out. Therefore, we had to be very careful. We drew up amendments to the proposed legislation. They carried in committee and seriously restricted the banks in these fields.

We had representations from companies involved in data processing. It became clear through those representations that the banking business had all of a sudden decided that computer programming and data processing were the kind of thing they would like to get into. So the banks were on the verge of deciding they would become the big data processors for all of Canada. The existing data processing industry would be swallowed up and be part of what they would call "their business".

At second reading I read a little lyric or poem, which I will read again as follows:

Through the open window's space
Behold, a camel thrust his face.
'My nose is cold,' he meekly cried,
'Oh, let me warm it by thy side'.

The camel has been getting into far too many activities. That is what has happened. It is also one of the concerns we have. That is why we want banking and the business of banking defined. The camel wants to get into other things and become a merchant and a manufacturer. Somewhere along the line we have to restrict the activities of banks to the field which they are in traditionally, namely, that of facilitating the movement of goods between people through the medium of exchange of money. I am speaking of the savers, the lenders, and the commercial money in our society. That is what the banks are there for. The banks are not there to do whatever comes into their minds or become as big as their minds would allow. As my hon. friend from Edmonton West says:

'bank' means

- (a) any financial institution engaged in the business of lending money and accepting deposit liabilities transferable by cheque or other instrument, or
- (b) any financial institution engaged in the business of lending money raised in Canada through the acceptance of deposit liabilities—

● (1500)

He goes on to exempt certain financial institutions from the restrictions of the Bank Act. I call to the attention of the House paragraph (g) of the amendment which would restrict financial companies to 75 per cent Canadian ownership.

There are a number of interesting concepts in this bill. In view of the foreign ownership of banks in our country, it was decided to make some sort of arrangement for reciprocal banking privileges, largely, I suppose, on the basis that it is in the interest of Canada that our national banks become international banks and this so requires some sort of reciprocation with foreign companies wishing to operate here. That is fine, but it must be controlled, and there is an attempt in the bill to control it to 8 per cent. If it can be controlled at 8 per cent of domestic assets or domestic business of foreign banks in our country, I would applaud that. We have suggested, however, that perhaps this is not realistic. There is an amendment before the House which suggests that perhaps it could be 10