

*Bank Act*

**Mr. Whiteway:** Just before sitting down I want to make it clear that I am not an apologist for the banks of this country. I have no vested interest in the banking system. I hold no stocks of any kind, preferred, common or otherwise. I hold no debentures or bonds. I realize that there are deficiencies in our banking system. I can understand the frustration of a small businessman who tries to get the capital that is required to run his business.

There are hundreds of thousands of independent small businessmen. They are the backbone of this country. With their own initiative, backbone and hard work, and with the labour of their own hands and minds they want to get on with building this country. They want to provide employment for themselves and for others. A new Bank Act is critical, yet we do not have one. It is business as usual for this government. The business of this government is record spending, record unemployment, and the other things about which I have spoken.

The Minister of Finance is a man of integrity and honour, in spite of the fact that he displays incompetence in some of the things he does. If he wants to be serious and do something effective he could expedite the legislation and put Bill C-16 aside for a week or two. We on this side are willing to wait, or even come back early after the Easter recess. I would personally be prepared to sit through an all night session if we could get the new Bank Act, which is so important, especially to small businessmen.

● (1632)

There would be three major advantages to having a new Bank Act, Mr. Speaker. First, there would be more competition and efficiency in the financial market place. Second, the regulations and inspection of financial institutions would become more standardized. A problem with banks and near banks is the question of standardization and regulation which for near-banks comes under provincial jurisdiction. The third advantage would be greater efficiency. At the moment near-banks are not required to hold primary and secondary reserves with the Bank of Canada, but the new Bank Act would address itself to that problem.

In opposition to those three major advantages is the argument that the power of the provinces is somehow taken away. At the moment the provinces have constitutional jurisdiction over the near banks and these would now be put under federal jurisdiction. That is a powerful argument.

We cannot discuss the pros and cons of the new Bank Act, however, because we do not have it before us. Bill C-16 which is before us does not deal with the serious questions regarding the whole structure of the banking system of Canada and I would be out of order to go into this at any length. What is before us is a bill that says "business as usual".

In effect the government is saying, "The bill is not even drafted and we do not know when it will be ready but, until it is, we would like another one-year extension." I would ask the Minister of Finance to set aside Bill C-16 for at least three weeks, or until he can get the new legislation in place. This would be a service to all of Canada.

[Mr. Murta.]

**Some hon. Members:** Hear, hear!

**Mr. G. H. Whittaker (Okanagan Boundary):** Mr. Speaker, I cannot let Bill C-16 pass without saying a few words, but I do not intend to take too much of the time of the House. This is a very simple bill of two pages. All it asks is to extend the existing Bank Act for another year. This would be the second extension. The minister tells us that the act cannot be presented to the House because it has not been drafted. I wonder what the real reasons are for this foot dragging. The government has been aware for ten years that the act would have to be revised but now it is asking for an extra two years.

The Bank Act is not complex. It is one of the clearest statutes on the books, and it is very important to Canadians.

When the hon. member for Yorkton-Melville (Mr. Nystrom) spoke he proposed that we start a government bank, another Crown corporation. This causes me to wonder if this is why the government is dragging its feet, as I believe it to be far more socialist than his party. After he spoke I saw him go over and sit very comfortably on the government benches, so again I wonder if this is one of the reasons for the foot dragging. Does the government want to get the election over, bring in such a proposal, and then have more control over the people? The hon. member said the government would take off with the plums and put them into this bank, but I doubt that there are really many plums because of the system of banking in this country.

Is the government dragging its feet because it is afraid to show the people before an election what could happen to them? Does it want to get the election over and then bring in a Bank Act which includes such things as a government bank? This would mean more bureaucracy and more controls over the people such as has happened in the last ten years. Or is it that just before an election the government is afraid to deal with the question of near-banks and credit unions? We know that the government's attitude toward economics is not very satisfactory. It has not done anything for Canada, especially in the last ten years. We do not have a money market in Canada.

The hon. member for Yorkton-Melville spoke of what a socialist government could do but he did not mention the socialist government that British Columbia had for four long years. There was a surplus when it took over, but it soon had to borrow money outside Canada. Of course everyone else has to do that as well because there is not a money market in Canada. That government did not do anything for British Columbia except leave a deficit. It used and abused the money. The hon. member glibly spoke of what they could and would do, but we have the experience of British Columbia to warn us.

There is no venture capital in Canada, Mr. Speaker, and that is a pity because this country needs venture capital. There should be venture capital and profit for risk takers. We have high interest rates in Canada. In the speech given by the hon. member for Yorkton-Melville he mentioned that if there were more banks in Canada interest rates would go up. If we take a