

● (1710)

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Central Nova (Mr. MacKay)—Fisheries—Over-the-side sale to foreign fishing fleets; the hon. member for Mississauga South (Mr. Blenkarn)—Immigration—Timothy Leary—Entry into Canada—Hotel engagements; the hon. member for Comox-Powell River (Mr. Skelly)—National Defence—Defence procurement contracts—Alleged discrimination in awarding.

GOVERNMENT ORDERS

[English]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed consideration of the motion of Mr. Bussières (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, first I would like to express my thanks to the hon. member for Edmonton West (Mr. Lambert) for letting me speak, in a sense out of turn—something I am not accustomed to doing—because of another engagement. I want to give him my assurance that I do not plan to use unlimited time in responding to the speech the minister has given.

I also congratulate the minister on his speech which, I believe, is the first he has given in the House regarding the Bank Act since his appointment as minister.

I would like to advise the House that the New Democratic Party will be opposing this bill at second reading. We will have a number of amendments to put forward in committee. We will have a number of speeches to make and recommendations to make to the government because of our concerns about the market power of the banks; the lack of provision in the act to provide adequate protection to the Canadian consumer; the lack of protection for near-banks and other competitors with the banks in certain fields such as computer services and auto leasing; concerns we have about limitations on the abilities of provinces to buy into our chartered banks and limitations on

Bank Act

the abilities of credit unions to buy into banks; concerns about the arrival of foreign banks in Canada; the unfortunate decision of the government to allow bank directors to continue to occupy as many other directorships as they can; and the fact that the banks are coming before us, as they do every ten years, to request that they achieve security in the Canadian financial system and that they have a guaranteed status and a guaranteed profit.

At the same time, those people who are working for the banks are treated among the most poorly of all employees in Canada. The fact remains that one chartered bank in particular, the Canadian Imperial Bank of Commerce, has been condemned time and time again by the Canada labour relations board for a systematic pattern of discriminatory behaviour. We in this party can see no reason why we should be prepared to give quick and speedy status to our chartered banks when they are not prepared to treat their own employees with any kind of respect or with any guarantee of security.

Let us look, first of all, at the animal which we are regulating. The five largest banks in Canada hold more assets than the 200 largest non-financial corporations all rolled into one. The largest of the big five, the Royal, has 3.5 times the assets of the Bank of Canada. It is 25 times the size of General Motors of Canada. The smallest of the big five, Toronto-Dominion, is almost as big as the nation's two largest Crown corporations, Ontario Hydro and Hydro-Quebec, together.

We have seen a dramatic and quite fantastic growth in the assets of the big five since this House last considered the Bank Act in 1967. Since 1970 alone the assets of all the big five chartered banks totalled together have increased some 480 per cent, from some \$43 billion to just over some \$206 billion at the end of 1979.

When we consider the colossal market power that these institutions have, we have to look at the Bank Act as the sole protection that the Canadian consumer and the Canadian businessman has against the banks' abusing that market power in order to impose their own financial interests and financial wishes on either the Canadian consumer, the Canadian borrower—be he a small borrower, a small businessman or a middle-sized corporation—or the Canadian lender, whether he be a moderate-sized lender buying term deposits of \$4,000, \$5,000 or \$10,000, or a Canadian depositor who is simply saving from day to day and trying to get whatever return he can from the bank.

With the government's interest rate policy the fact has been that since 1976 the banks have doubled their assets and their profits, so that in 1979 the profits of the banks totalled over \$1.2 billion. As interest rates have gone up, as they have under this government and under the previous government, we have also seen—

Mr. MacLaren: The rates have gone down again.

Mr. Rae: The hon. member for Etobicoke North (Mr. MacLaren) says that the rates have gone down again. That is certainly not the result of the policies of the government, and I find it very difficult to see how a government which fails to