

like this because they like to show their warm smiles instead of, as I put it, their fangs, toward private industry.

The first point I would like to raise is the question of members of Parliament and the Canadian Bankers' Association. It was pointed out recently that information with regard to where each and every member of this House banks is supplied to the Canadian Bankers' Association. The provision of this information enables banks to use it in whatever manner. I strongly recommend publicly that the banks cease and desist from this practice. I think it is altogether foreign to a free society and brings banks into general disrepute amongst people who are acquainted with the practice. I understand that the practice has been stopped, but I hope it will be buried away and never see the light of day from now until the end of the New Democratic Party.

The second point I might raise is the question of branch banking versus unit banking. Mr. Speaker, you may not be aware of the fact that in Canada there are, I suppose, 12 or 13 banks, and literally thousands and thousands of branches, whereas in the United States prior to the depression I believe there were 32,000 separately chartered banks. I think the figure now is 16,000 banks. In some states a bank cannot have more than one branch.

The point of the American banking system is that people who live in the community hopefully own the banks in the community. In some cases that is required by law. People who are in the community believe in the community, invest in the community, and lend money in the community. I think it is fairly well known that under our banking system all too often people are moved out of a particular branch after two or three years and sent to the other end of the country. I submit that that aspect of branch banking is harmful.

You may be wondering, Mr. Speaker, whether we should abolish the branch banking system and replace it with another system. I am not, of course, saying that. Many thousands of Canadians work in our banking system. No one, other than someone who is totally ideological, would want to get rid of the jobs of many thousands of Canadians. However, I suggest that it might be wise the next time we are revising the Bank Act to consider providing for more banks and for more locally owned, locally-operated and locally-dependent banks.

The third matter is the question of anti-trust factors. I would probably agree with my friends in the New Democratic Party that banks in Canada far too often act as agents of the crushing of competition or the creation of more mergers in Canada. The recent example of the Bank of Nova Scotia offering to lend money to the Campeau Corporation for taking over Royal Trustco is just one of many.

I think hon. members on this side of the House believe that dispersion of economic power is the best thing for our society, and if we have bigger and bigger units of public or private power, in the long run, I respectfully submit, we would end up with a society with possibly two or three banks, all subject to the control of fewer and fewer individuals. In my view that is one of the great arguments for having a strong competition

Bank Act

policy, and I hope the Minister of Consumer and Corporate Affairs (Mr. Ouellet) will have the courage to bring one in before much longer. We have been waiting too long.

I doubt if many members know that in the 1912 presidential election in the United States one of the candidates for president, Teddy Roosevelt, took the view that bigness cannot be stopped but that it just has to be regulated. His opponent, Mr. Wilson, took the view that the United States was built on free and open competition and that, as far as he was concerned, there should be anti-trust laws and an attempt to keep enterprises small and competitive. I think we all know that Mr. Wilson won that election and since that time the United States has had a more or less strong anti-trust policy and Canada has had none. In other words, we are about 70 years behind the United States in terms of having a viable anti-trust policy. As I indicated, the banks form an integral part of that policy, and it is one which this Bank Act and previous bank acts do not deal with adequately, in my view.

• (1630)

I believe that the Royal Bank now has assets amounting to \$60 billion. That is just about what hon. members opposite want to spend next year as the total government budget. It seems to me that in a society like ours it would be better to have ten banks each having \$6 billion than to have one bank with such enormous assets.

Another matter which I hesitate to bring out, and again I would be happy to be contradicted by anyone in this House or beyond it, is that until a few years ago the Royal Bank of Canada, I am told, would not accept a legal opinion on a matter of Quebec law from French-speaking lawyers in that province. If that is the case, I find that to be atrocious, and I hope they will change their policy and accept such opinions in the province of Quebec.

On the same subject I should like to raise the question of the Bank of Montreal which, as we all know, was founded in 1817. I am told that at that time the bank had one Francophone member on its management team. Again I would be happy to be contradicted. I understand that as of today, 1980, there are two Francophones on the bank's management committee. To me that is a deplorable situation as regards two banks, the head offices of which are in the province of Quebec.

I am saying that the banking system in Canada—here I think even the hon. member for Winnipeg North Centre (Mr. Knowles) would agree—took great pride during the depression in the fact that not one of the banks had defaulted or gone bankrupt. What they do not tell you is that thousands and thousands of people across the country, and certainly in my part of western Canada, were foreclosed upon by the same banks which took such great pride in the fact that not one of them, unlike their counterparts in the U.S., went bankrupt. I do not know if that is as much a matter of pride for Canadian banks as it might be a matter of considerable shame that they did not make more of an effort to help more farmers in western Canada or more small businessmen in the maritimes during the depression.