

*Bank Act*

I wonder if the Hon. Member could explain to the House how it is that he could support a Bill that calls for the banks to engage in voluntary compliance. We know from past experience in farm matters and other matters affecting many Canadians that the banks look after their own interests. When we are talking about voluntary compliance, we are talking about the interests of the banks, not of the consumers. I wonder if the Hon. Member could explain his support for the Bill in this light.

**Mr. Attewell:** Mr. Speaker, I thank the Hon. Member for his question. I do not think that this should turn into a bank bashing exercise. There are six large banks in Canada. They are world-class banks and are well managed. There are many trust companies that are well managed as well. I do not think this should be a bank bashing exercise.

I would like to suggest that we start with a philosophy for how we want the market-place to work. Are we going to go to Steinbergs and ask them to submit a list of what price they will sell apples at before they start selling them? Are we going to go to retail gasoline companies and ask them, before they raise their prices, how they will do it? Should they come to the big Government to see what should happen?

The Hon. Member for Nickel Belt cited numbers from the banks. I forget whether he mentioned that they were profits or gross revenues. He knows that that by itself means nothing other than the fact that it is a large number. What really counts in measuring the profitability of a business, as the Hon. Member knows, is the return on equity. If the return on equity is 30 per cent I would say that it is far too high, but we will not find it at that level. Normally an adequate return for most industries would be in the 12 per cent or 13 per cent to 16 per cent range. This is return on the shareholders' equity, the equity of average Canadians who have invested in these companies.

The Hon. Member knows that, by and large, banks are owned by average Canadians. No one person can own more than 10 per cent of a Canadian bank, so they are very widely held by seniors and by average investors and companies. They want an adequate return on their

investment as well. Does the Hon. Member want to weaken the banks?

Let us keep things in perspective when we are talking about this subject. There have been some mistakes made, there is no question. Some banks have become too aggressive. However, let us not take a knee-jerk reaction to this problem. Let us look at it in a rational way. Let us keep the consumer uppermost in our minds, but let us not go overboard in our reaction.

**Hon. Roger E. Simmons (Burin—St. George's):** Mr. Speaker, I am glad that the gentleman from Nickel Belt is in the House. I listened with great interest to what he had to say, especially the part about the mirrors. I had wondered for years why bankers had those large wash-rooms with those full length mirrors. Of course, if disgruntled bank customers become mobilized, we will see a whole new growth industry in replacement mirrors.

I am delighted also that the gentleman whose initiative brought this Bill before the House is in the Chamber, the hon. gentleman from Markham. I thank him for his response to my question. In responding, he confirmed what I implied in my question when I said that we still have a long way to go in terms of what the Hon. Member set out to do. I am grateful to him for his undertaking that he is not giving up yet. Despite the different styles, I thought that the gentleman from Markham and the gentleman from Nickel Belt were not that far apart in terms of their concerns about this piece of legislation.

• (1710)

I am about to commit the unforgivable sin of crawling into bed politically with someone so far to the left as the Hon. Member for Nickel Belt (Mr. Rodriguez) and so far to the right as the Hon. Member for Markham (Mr. Attewell) by saying that I too share their concerns. There is a real Liberal middle of the road. Any political bed will do as long as the principles are correct.

I am glad to see the Minister of State for Finance (Mr. Loiselle) is present. I want to say something to him, and it is best to say those things directly to someone's face than behind someone's back. This Bill says an awful lot more about the Government's relationship with the banks than it does about the Government's concern for the consumer.