

Bank Act

When you make a decision to pass the kind of act which has been passed, and which we will not be able to review for 15 years, your philosophy, what you believe about the economy, think about the world and think about our financial institutions, suddenly becomes perfectly clear. If anything has become clear, it is with respect to the fundamental principles of how our financial system is going to work, who is going to benefit, who it is going to protect, who it will not benefit and who it will not protect.

Nothing could be more clear than what we have seen in this Bank Act. The two old line parties, the Liberal-Conservative party, the two wings of despair of the old order which is dying, are ready to have this Bank Act take the place of the previous one.

Before the next ten-year review of the Bank Act, we will continue to point out what we feel is wrong with the Bank Act. It does not take into account the needs and real interests of consumers. It ignores the real problems of small business, the problems of increasing competition and breaking the deadlock of the interlocking directorates and the deadlock they have on the whole of the economy. The government has sanctioned for another ten years the continuation of the old boy network in our banking system, the control over the banking system and our way of inspecting and taking hold of that financial system.

I want the minister to know that we are going to be around until the next review. We will not go away. The fact that the Bank Act has now got through does not mean we are suddenly going to stop being vigilant. I am not making this as an ideological statement. Time will tell whether the interests of consumers have been protected and whether the introduction of foreign banks in the way it has been done by the government will, in fact, increase competition in the Canadian banking sector. Time will tell whether this will further the erosion of our control over the economy, or increase it. Only time will tell, but I think it is important for the government to know and recognize that it has simply looked to the past and not to the future and to the future investment needs of the Canadian economy.

● (1620)

What would the alternative be? In our view it would be a very different kind of Bank Act which would recognize the central role of the public sector in the allocation of investment and in directing the future of our economy. It would recognize the fact that regaining control of our economy and our capital markets is one of the most central things we have to do. We cannot have an industrial strategy without having a strategy for investment. On the other hand, consumers, small business people, farmers and others desperately need protection, and they are not getting it. It must be written into the act. These people must have rights which are hard, and which they can take with them to court. We have not provided those rights, and I think we are making a mistake.

Finally, we should have an act which would call for greater information and require the banks to tell us exactly what they

are doing. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That Bill C-6, an act 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 not now read a third time, but that it be referred back to the Standing Committee on Finance, Trade and Economic Affairs for the purpose of reconsidering clause 2 with respect to the proposed section 222 at page 246 of the said bill.

If I may just explain it briefly, the purpose of this amendment is with respect to the disclosure of the foreign activities of our banks. The minister should not be surprised by this amendment because I have said to him many times that this is one item which has never been satisfactorily explained by the government. There has never been an indication as to why it should not be possible for the Canadian depositor to know whether his deposits are being used to sanction repression in South Africa, South America and in other parts of the world, whether his interests are being protected, and whether the policies of the banks are those he wants to follow.

That seems to me an entirely reasonable request, an entirely sensible request, and a very necessary one if we are to recognize the reality that with their current size and power the banks are acting in a sense as agents of the west with respect to many items of economic policy, and it seems to us essential that these be matters of public information.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I would like to speak about the main motion and to indicate my disapproval of the amendment. I will not be speaking for very long, but in giving what will be a fairly philosophical discussion of some of the points before the House today I might begin with what I consider to be a humorous quotation from an unlikely source called "Webster's Unafraid Dictionary" which, in defining a bank, says, and I quote:

An institution that urges you to save as much as possible of what you earn and urges you to borrow as much money as you can spend so you can spend more than you make.

There are so many humorous definitions of banking that I suppose all of us know at least 20 of them. The one I like best is that banks will lend you money if you can prove three times over that you do not need it.

I will be raising some philosophic points. I welcome things which I consider to be correct, and I will welcome corrections from any source, including members of the New Democratic Party even if, as I have said before, in the ranks of the New Democratic Party it is a good business deal for the west to give up what section 109 of the BNA Act guarantees it, namely, control and ownership of its natural resources, in favour of a measure of control subject to "federal paramountcy".

I think it is clear from the amendment that the New Democratic Party just does not like banks. It certainly does not like private business. I think it has been demonstrated around the world that socialists in this country and others basically would like to do away with privately owned banks as they would like to do away with privately owned anything, despite the fact that they do not usually admit it in matters