that even though we have in this country some of the world's largest banks, Canada's local, regional and provincial governments and firms have to go outside the country to borrow.

The Canadian chartered banks are asking for increased leverage to expand their foreign operations at a time when the cost in terms of the balance of payments of Canadian borrowing outside our country has reached almost $4 billion a year, up substantially from approximately $3.5 billion last year and $2.7 billion in 1977, according to statistics just released by Statistics Canada. These are interest payments. Between 1976 and 1978 Canadian governments borrowed an average of $5 billion on international—mainly New York—money markets. Even though the banks claim that there have been compensating returns from foreign loans, this does not appear to be the case so far. Over the same three years the balance of payments statistics reveal that inflows of interest payments, that is, flows into Canada, totalled only $230 million, $224 million and $266 million in the three preceding years, so there has been an actual decline in the amount of the inflow of interest payments. The outflow of funds for foreign borrowing and the outflow of funds for the establishment of bank branches and subsidiaries in other countries do our country no good whatsoever.

What we do need is significant public involvement in banking itself and in the regulation of banks' lending and investment policies, and I am pleased to see the hon. member for Nepean-Carleton (Mr. Baker) is supporting that policy. This would ensure that these large financial intermediaries are channelling funds not merely for the sake of their own private profit but also in the interests of all Canadian people who depend on their investing and lending decisions. What is needed is not increased participation in the Canadian economy by foreign multinational banking operations. Such firms will only duplicate the services already offered by Canadian banks and squeeze existing competitors such as caisses populaires and credit unions. What is needed is government support for caisses populaires and credit unions. These are responsible local and community-controlled organizations.

Statistics from the Bank of Canada show that in 1979 foreign banks already operating in Canada concentrated their activities in the high profit business loan area. Some 51.6 per cent of their loans were of this nature, while only 16.9 per cent were in short-term paper, 10 per cent in leasing, and 8.8 per cent in real estate and construction loans and a similar amount in loans to their foreign parents and affiliates.

Because of their connections with other foreign firms in their home countries, the foreign banks are likely to win the business of foreign firms away from the Canadian chartered banks. This would increase the strength and size of foreign owned capital in this country if this particular provision in the bill were permitted.

Foreign banks are not likely to create any more business in this country, and what they are likely to do is compete with the Canadian banks, but there is not much possibility or hope that new Canadian banks are going to be growing in the already overcompetitive soil not taken up by the big foreign and chartered banks.

In fact in some financial markets the big banks are already being pressed by domestic competitors. As of December 31, 1979, Canadian credit unions and caisses populaires numbered 3,693 with 4,477 branches across the country. Their savings totalled $25.51 billion; loans, $21.24 billion; and assets, $27.73 billion. The growth of credit unions and caisses populaires has been dramatic. In 1967 their assets stood at only $3.382 billion, so this means that these co-operative financial institutions have expanded their holdings more than eight times in the intervening period.

Mr. Baker (Nepean-Carleton): Very healthy.

Mr. Robinson (Burnaby): Absolutely. The credit unions of British Columbia introduced daily interest rates more than ten years ago, something some of the chartered banks only began last year as a result of competition. Some still do not offer these daily interest rates and, rather than allowing foreign banks to come into the country in a big way, surely what we should be doing is promoting these indigenous financial institutions as models of co-operative Canadian economic development.

There have been some other areas in which the record of the chartered banks has certainly been less than impressive and which the new Bank Act would do absolutely nothing to rectify. I would like to turn for a moment to the labour relations practices of the banks. Banks have been consistently intransigent in dealing with employees seeking to unionize. Most bank workers in Canada are not unionized, despite the poor working conditions and low pay. The reason is that the banks have resorted to force and manipulation in trying to discourage union organizing. In a decision of last November 30, members of a Canada Labour Relations Board arbitration board ruled that the Canadian Imperial Bank of Commerce had contravened several sections of the Labour Code in its dealings with unionized employees in St. Catharines, Ontario, and Creston, British Columbia.

Mr. Baker (Nepean-Carleton): A good ruling.

Mr. Robinson (Burnaby): In its decision the board reported, and I quote:

> It has become apparent throughout the organizational attempts at various branches of the employer across the country, by various unions, that this employer has embarked on a campaign designed to discourage its employees from exercising their rights under the code. Some attempts were blatant blundering, others more sophisticated and subtle.

In the matter under review by the board, a system-wide general salary increase that was withheld from unionized workers, the board observed that the bank's unfair labour practices were not attributable to overzealousness on the part of lower level managers but were, rather, decided at the very highest level. These were the same levels which decided how much money to give the Conservative and Liberal parties in preceding years.

The board went further, finding that the bank's labour relations practices had had "disastrous results". The board members reported, and I quote: