

*Bank Act*

assumption that the government is not interested in planning what the banks' investments will be.

In this Parliament we have less knowledge, less control—the Inspector General has but he is not required to share his knowledge—than is at present required in the United States. I will give an example which I hope will become the subject of further discussion. In many cases we have to go to the United States to find out which of our banks is involved in a syndicated loan in foreign countries.

We do not know, for example, whether the Bank of Nova Scotia or the Bank of Montreal may be involved in a syndicated loan in Uruguay, a country where political repression is a way of life and where hundreds of thousands of people have become refugees because of the political policies of their government, and where the trade union movement has been crushed. We want to know whether these things are going on or whether the Bank of Nova Scotia, the Bank of Montreal, or any other bank is involved. We cannot find this out. We cannot find out if we are a shareholder or are not a shareholder. The only way to find out is if an American state has laws which are more strict than we have in Canada, and many do. We need to go that route to find out whether there are Canadian banks heavily involved in South Africa, South West Africa, or in global financing.

● (1610)

When 35 per cent of the assets of the \$256 billion are foreign currency assets, you have a very sizeable political and economic problem on your hands. We are no longer dealing with the Bytown Market or the local corner store. We are dealing with institutions which, at the stroke of a pen, can make or break governments. We are dealing with decisions on whether to go ahead with six or 12-month loans, or whether to extend credit for another one or two years to many foreign governments. These decisions have dramatic impact on the civil rights of individuals in countries as well as on the economic rights and economic future of those countries.

For the next ten or 12 years we will be living in comparative darkness. We are going to be in a situation where it will continue to be a matter of discreet telephone calls between the minister of finance and the president of a bank to find out whether he is really over-extended in Iran. It will be matter of a cosy conversation at the Chateau Grill between the Inspector General of Banks and one of the bank presidents so that he will know whether there are extensive activities going on in Argentina, Vietnam, Thailand, India or anywhere else, or whether that bank is up to its ears in a project in Canada which may be in trouble.

Lord knows that this year we have seen two of our most impregnable industrial companies faced with tremendous financing problems. We simply do not have the information which we are entitled to have with regard to the level of obligation of the banks and the nature of their activities with respect to Massey-Ferguson and Chrysler.

This is really a kind of horse and buggy Bank Act. It is based on a theory of the economy which, while it may be

quaint and has a certain intellectual coherence about it, bears no relationship to what is going on in the real world. We have a Bank Act which continues to put consumers, small businessmen, farmers, and anyone else who has to borrow from or lend money to a bank, in a position of being second-class citizens. We do not have an element of perfectly free information and discussion on what are the banks' decisions regarding the future.

We have a government which, for example, has refused change on a matter of ideology. That is why I call it the Liberal-Conservative Bank Act. It is all of a piece. They refuse, as a matter of principle, even to allow the possibility of one of our provincial governments or of the federal government forming a Crown bank. It said, "No, no, we cannot get into the banking business, that is much too revolutionary an activity, we cannot get involved in that and we cannot interfere with the perfection of the marketplace."

I cannot imagine a more ideological position than the one taken by the Liberal-Conservative party with respect to the Bank Act. It is all of a piece. It makes perfect sense when you consider it from the point of view of institutions whose history goes back in Canada hundreds of years. It is all of a piece when you look at the people who own the shares who control the banks. It is all of a piece when you look at who those people are and what their interlocking network is in the whole economy. It is all of a piece when you consider the fact that the directors of the five largest chartered banks have, in effect, a controlling web of interest across the great concentrated areas of the Canadian economy. Look at the mining sector, the pulp and paper sector, and the manufacturing sector.

You will see it as all of a piece when there is a consistent policy in the Bank Act to protect the interests of those chartered banks, and everybody else comes in at the end as an addendum. The government came in at the last minute and made a concession regarding the car dealerships. The minister shakes his head. It was a last minute thought, for the simple reason that it was not until these amendments were brought in here on second reading and the information was provided in this House, until it was raised in committee, that the minister even considered changing the act.

It was not until the minister had the amendments in black and white which we put forward last spring on consumer protection that he was prepared to look at those things. There was nothing in the Bank Act before that. The Liberal-Conservative party had their first, second, and third look at it. They had four years to look at this. None of this was in the act. It was not in the act until it was raised in this House by our party. It is hard fact, and it is hard for the other parties to accept it.

**Mr. Bussières:** It is an NDP Bank Act.

**Mr. Rae:** The minister says it is an NDP Bank Act. The amendments are NDP amendments. The rest of the Bank Act is yours, and you can have it. We will vote for the amendments and you can have the rest of the act.