Indeed, he said that the Bank Act prohibits the release of such information. I do not see anything in this bill being defended so vociferously by my friends to the right which would lift this cloak of secrecy surrounding the lending policies of Canadian banks.

Information about South African investments has been particularly difficult to obtain. However, the Montreal *Star* reported on May 19, 1979, that:

—since 1970 South Africa has borrowed more than $7 billion from western banks, but the extent of the financial role played by Canadian banking institutions is cloaked in secrecy.

The Montreal *Gazette* reported in March of the same year that during 1976 banking consortia with Canadian participants lent about $250 million to South Africa, and by the end of that year outstanding loans to South Africa totalled about $2 billion.

On February 27, 1978, the Toronto *Globe and Mail* reported that:

—secret documents released in the United States . . . show that three Canadian banks lent a total of $19.5 million to the South African government and two of its agencies in the early 1970s. The Bank of Commerce lent $6 million, the Bank of Montreal, $7.5 million and the Toronto-Dominion, $6 million as participants of banking consortia.

The task force on churches and corporate responsibility estimates, in a brief it submitted to the Standing Committee on Finance, Trade and Economic Affairs in November, 1978, that between 1972 and 1976 private Canadian financial aid to the South African government—the estimate does not include loans to private firms—amounted to approximately $684 million to that government which is promoting apartheid and which is condemned in other forums by the present government and, indeed, by representatives of the previous government.

In March of this year the same organization reports that the Toronto-Dominion Bank lent $2.68 million to the South African State electrical sytem, ESCOM. As my friend, the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) stated earlier in this debate, the bank has since said that it will not renew this loan or any other similar loans to South Africa. So far it is alone in that policy. However, this loan was made without any sort of review of its effect on South Africa, on Canadian foreign policy or on the Canadian economy.

That is the point, that the banks are taking decisions of this sort in secret without any review by the Government of Canada, the representatives of the people. The evidence at hand points not only to the bad effects that some of these loans have on the people of the receiving countries, but also to the bad effects they have on the Canadian economy. The effects of Canada's bank investments overseas and their effects on the Canadian economy go hand in hand. They can be seen right at the core of the act that the Liberal government and its Tory predecessor have placed before the House. The bill will allow foreign banks to compete with domestic banks. It will speed up the process of penetration of the Canadian financial market, which my Conservative friend is supporting, by foreign banks, which was begun after the 1967 Bank Act revision.

The government has justified this penetration in the name of increased competition. I submit that this is just so much veneer, that the real reason for the government's and the private banks' willingness to open the door to foreign banks is what is known as reciprocity. What this means is that the Canadian banks, which do about one-third of their business outside the country, want to get more leeway to operate in foreign countries, and to do that they are offering the Canadian national market as a bargaining token.

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I refer to the *Canadian Business* magazine supplementary "Focus" for April, 1980, which states that the five major Canadian banks operate more that 300 branches, agencies and controlled subsidiaries in about 60 countries. The same article quotes the Royal Bank head and outgoing president of the Canadian Bankers' Association, Mr. Frazee, as saying that the big banks' "appetites are clearly growing" for foreign investments.

Banks that were once merely national players are now being catapulted into international competition because the world opportunities for business and the needs of their customers force them to move out—

So, and I quote:

—Canada as the most trade-dependent of the industrialized nations, has no other realistic alternative.

This places the question in a somewhat different light. What the Liberals are asking us to do is to approve and make legal the banks' own rationalization for the necessary evil of letting foreign banks have the same rights here that our banks want to obtain in other countries. You will note that the reasoning so far is not made in terms of the interests of the Canadian people or the interests of the Canadian economy but, rather, in terms of the increased profitable operations of the Canadian banking system. This does not look particularly good for the banks or the government, so we are slipped the guise of improved competition. Foreign banks, we are told, will increase the competitiveness of the Canadian financial system. The fact of the matter is that the Canadian banks' foreign operations will not help the performance of the Canadian economy, nor will the invasion by the foreign banks themselves.

Canada is already in the peculiar situation of having large financial outflows which are severely damaging our balance of international payments. Even though the large banks are able to channel large amounts of investment capital into overseas investments, Canada continues to experience a chronically severe balance of payments deficit. For example, during the period between 1976 and 1978 this deficit averaged $4.48 billion on current account, and of this deficit business services such as insurance premiums, other insurance transactions, consulting and other professional services, commissions, scientific research, product development, equipment rentals, franchises and similar rights and other services accounted for a net average outflow of over $1 billion annually.

Even more serious is the outflow, averaging more than $3.5 billion annually, of interest and dividend payments. The fact is