

three deposit boxes, one would divide 18.6 per cent by 3 and it would really be an average increase of only 6.2 per cent. That, of course, was nonsense.

He finally did get a letter from a senior public relations officer of that bank. It did not satisfy him, but it at least outlined some of the policies. That was a case of lack of adequate communication. The banks place posters in branches to advise people, but I do not think that is adequate these days.

Another example is that of Mr. Malcolm Wilkinson of Citation Drive in my riding. He wrote:

The only way you know when they are increased is when you notice it (if you do) on your account or you happen to pick up a folder on the counter. Mind you, there are always folders of some type or another there so there is nothing special to draw your attention to it.

The bank drafts I mentioned for £10 each now cost \$4.50 each. When I bought them a year ago for Christmas they were \$2.50.

That is an 80 per cent increase, Mr. Speaker. Mr. Wilkinson goes on to say:

Another example of non-communication relates to notice of mailed deposits. All my pensions, annuities, dividends and interest cheques are sent to my bank for deposit. In each case I used to receive a copy by mail of the deposit slip made out by the bank depositing it to my account. This was later changed to mailing the slips for "non-routine" deposits (e.g. quarterly dividends, CSB interest, etc.) and not for "routine" deposits, e.g. monthly pension cheques. Still later they were all discontinued as too costly.

I happen to agree with the reason for stopping, but in neither instance was advice sent.

The banks are very arbitrary.

As a third example, Mr. Bernie Segal from Clareville Crescent wrote to me and I would like to quote from his letter as well. He said:

I find that banks are operating in a usurious and high-handed manner.

The most recent caper: I have a savings account with—which, among other things, entitled me to make any number of free withdrawals. To my surprise, on two successive months I found a total of \$8 removed from my account for "service" charges—a service charge for each personal withdrawal. This was not part of our original agreement, nor was I notified of any change in policy. On complaining, I was advised that signs were posted stating this new policy. I certainly did not notice any such signs! This was ultimately corrected. But a "service charge" for personal withdrawal? What service?

He made several other remarks, but in the interest of saving time I will read his summary. He concludes:

I submit that one of two remedies is required: either that more competition for banks (and trust companies) be allowed (if necessary, that branches of foreign banks be allowed in unlimited numbers in Canada), or more regulation through the Bank Act.

● (1805)

Those are three instances of concerned residents in my riding. As I said, this is not meant to be a debate or an attempt to bank bash. However, there is a problem. Part of it relates to the introduction of cash dispensing machines. People do not visit their branches as often. Another problem is interbranch banking. I have had an account at a bank in downtown Toronto for over 25 years. I have only been there once in the last two years.

### Adjournment Debate

I hope that the executives and the bank association will take this issue more seriously. There is a communication problem and there certainly are examples of excessive rates, when one converts the rates into percentages for such things as NSF cheques.

I will continue an investigation into this matter. I applaud the Minister of State for Finance for the new directions on financial institutions that he introduced last December. I hope that when the thrust of that document becomes legislation it will mean healthier competition in the market-place because I believe that is the real answer, rather than intervention in the market-place. We should open up the competition to a greater level so there will not be as many instances of rate changes that take place rather lock-step with the five major banks.

In closing, I intend to respond as fully as possible to these complaints and honest hours of frustration experienced by most of these people.

● (1810)

### [Translation]

**Mr. David Kilgour (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I thank quite sincerely the Hon. Member for Don Valley East (Mr. Attewell). As he is certainly well aware, the Bank Act does not presently govern the level of banking service charges, although a regulation accepted under this Act requires the disclosure of deposit rates and other terms offered by the banks.

Although the full disclosure of charges and other terms of financial services remain important, the Government is of the opinion that it would not be advisable to introduce detailed regulations to govern the level of costs and banking service charges, in view of the rapid changes which are occurring in the financial service industry and the ever increasing diversity of services to which these regulations would apply.

This is particularly true at this time, considering the new policy of the Government which calls for a tremendous expansion of the services which can be offered by all financial institutions, banks included.

Under such dynamic and variable conditions as those, the best solution would be to allow the forces of the market-place to play to ensure that the service charges are maintained at an acceptable level. As a matter of fact, one of the greatest benefits of the policy described in *New Directions for the Financial Sector* published by the Government, would be to increase the competition in the financial service industry, thereby ensuring that consumers receive the best possible service at the lowest cost. Within the framework of these reforms, the Government will assess the usefulness of the regulations aimed at protecting consumers, including the current regulation under the Bank Act which requires the disclosure of the terms of deposits and other services. Also, the need to take other steps in view of the increasing role automatic tellers are playing in the provision of financial services, and finally the possible extension of this regulation to other types