

*Oral Questions***CROWN CORPORATIONS****REQUEST THAT AUDITOR GENERAL BE PERMITTED TO CONDUCT AUDITS**

**Hon. Perrin Beatty (Wellington-Dufferin-Simcoe):** Madam Speaker, my supplementary is for the President of the Treasury Board. In view of the fact that figures just released by the Government in the past few days indicate, in the case of Canadair, the largest corporate loss in the history of Canada, and it appears that, if controls apply anywhere, they do not apply to controlling the losses of Crown corporations, will the Minister now agree that the Auditor General of Canada should have full access to the books of all Crown corporations and, in particular, the granddaddy of all Crown corporations, the Canada Development Investment Corporation?

**Hon. Herb Gray (President of the Treasury Board):** Madam Speaker, this is an issue on which there are various arguments, which we are seriously considering. When we present to Parliament our views on possible amendments to Bill C-153, it is an issue that we will be happy to have more to say about.

\* \* \*

**BANKS AND BANKING****PROFITS OF CHARTERED BANKS—SPREAD BETWEEN DEPOSIT RATES AND INTEREST CHARGES**

**Hon. Edward Broadbent (Oshawa):** Madam Speaker, I have a question for the Minister of Finance. Figures released today show that the profits of the chartered banks are up some \$1 billion for the past six months. The article containing these figures points out that the reason for this is that the spread between what the banks pay depositors and what they charge borrowers has increased, and therefore home owners, small-businessmen, and all kinds of other Canadian consumers are being overcharged by the banks. If the Minister is really concerned about inflation, why does he not take action regarding the banks and get them to reduce their charges to borrowers?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, the Hon. Member refers to the spread. I would like to bring to his attention that the interest rate spread for the big five banks was 2.78 per cent compared to a five-year high of 3.08 per cent. The return on assets for all Schedule A banks, although rising to .52 per cent, was still below the five-year historical high of .66 per cent. So my friend should look at the record and realize what the situation is.

Secondly, if my friend looks at the profits of the banks two years ago, for the whole year, he will realize that they were roughly double what they were for the last six months.

**Mr. Deans:** That was what we were telling you two years ago.

**Mr. Lalonde:** At that time a parliamentary committee studied this matter and came to the conclusion, two years ago, that bank profits were not excessive. That was the conclusion of a committee of this House at that time, so my friend should bear that in mind.

**REQUEST THAT MINISTER TAKE ACTION AGAINST BANKS**

**Hon. Edward Broadbent (Oshawa):** Madam Speaker, the historical reality is that for the past two years workers' wages have been going down, month after month after month. Bank profits have been going up. The bank pays a depositor 7 per cent and then increases that by 100 per cent because a typical consumer loan is now 14 per cent. That is the real cause of inflation. Is the Minister not concerned about this unfair gouging of consumers, which also causes a loss of jobs? If he is, why does he not for once take some action against the banks, instead of always talking about workers' salaries, which have been going down, not up?

● (1430)

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, I would like to inform the Hon. Member that for the first time in five years, without the support of the NDP, by the way, Canadian workers will see their standard of living improving, this year, and they will be ahead of inflation.

**Some Hon. Members:** Hear, hear!

**Mr. Lalonde:** Again I remind my hon. friend that bank profits in 1981 were roughly \$1.7 billion. For the six month period ending April 30, 1983, they were \$900 million. That is equal to about half of the profits for the full year of 1981, and one should realize that this is two years later, and take inflation into account, et cetera. At that time those profits were studied by a parliamentary committee and found not to be excessive. I am not surprised therefore that my hon. friend would raise his usual rhetoric, but he should consider the facts again.

**EFFECT OF BANK CHARGES ON CONSUMERS**

**Hon. Edward Broadbent (Oshawa):** Madam Speaker, the Minister of Finance, if he were direct in the House, would know that the reason inflation has gone down in this country is because the Government has created circumstances where there are 1.5 million unemployed.

**Mr. Nielsen:** Two million.

**Mr. Broadbent:** That is the real reason wage rates have come down, not because of the Government's silly program.

The Minister cited 1981, which was one of the years of record profits for the banks. He is now implying that it is a reasonable target. Will he not, I ask for a third time, recognize that consumers are being overcharged, home owners are being overcharged, and small-businessmen are now being overcharged by the banks? If he will recognize that fact, will he