

*Bank Act*

a lot of corporate pressure from many of its corporate backers, but the fact remains that we are deeply concerned with the extent of corporate concentration in Canada, with the problem of corporate linkage and the way in which the intercorporate directorships can be used to increase market power and increase the forces of concentration in Canada.

We know we have a tax system which encourages concentration because, it allows all large corporations to deduct interest payments on funds they borrow from banks in order to finance takeovers. I find it hard to see why these financial institutions that occupy such a fiduciary relationship with the Canadian people—a position of trust with the Canadian people—should not be subject to far more careful consideration by us, in terms of conflict of interest and in terms of the problem of corporate concentration. I know my colleague, the hon. member for Comox-Powell River (Mr. Skelly), will be referring to these questions as well as to the issue of consumer protection when he speaks later on in this debate.

Again the minister stated that we need more competition in Canada, and that is why we need to bring in foreign banks. The government admittedly reduced this from 15 per cent to 8 per cent, but our party still remains opposed in principle to the notion that banking, that critical activity in the Canadian economy, should become the subject of the entry of foreign banks, and should become the subject of foreign penetration.

I find it ironic that a government which pays such strong lip service to the notion of Canadian economic autonomy, and which pays such strong lip service to the notion of competition in our financial system, would tell us that the only people who can really compete with our Canadian banks, and the only way we can have competition, is not to encourage or make it easier for near-banks—caisses populaires, credit unions and trust companies—to engage in banking activity and become competitive, but to allow in foreign banks.

I suggest that some of the consequences will be to reduce the ability of the government to control outflows of capital at times when outflows of capital are not in the best interests of the country. I suggest to the minister that allowing the arrival of so many foreign banks will limit the ability of the minister to control Canada's economic policy. When we have a Minister of Finance whose view of the market is such that he does not see how he can control the situation, such as the minister we have today, that may not be such a bad thing. When we have a New Democratic minister of finance it will clearly be of some disadvantage to have some 50 or 60 foreign banks that may be subject to the laws of foreign jurisdiction, particularly American corporations.

While I have stirred the minister to life, and I am glad to see that, I think the tendency will be to decrease the ability of the Minister of Finance to exercise some important controls on the economy, and to limit the ability of the government to exercise some important controls on capital flows and capital markets. I think it will tend to make it more difficult for Canadians to form banks, because I think the tendency will be for foreign corporations to skim off the most lucrative foreign investments and foreign business, and the result of that market penetration

will be that Canadians who are involved in wanting to form banks, or get involved in banking, will have a far harder time reaching the marketplace. The tendency will be for less competition rather than more.

Finally, I want to say a word about unfair labour practices in the banks. I mentioned at the beginning that these banks come before us looking, as they do, for protection. They are seeking protection and they are seeking regulation in their own interests. However, we have the Canada Labour Board saying in one of its recent decisions involving a bank in St. Catharines, and it follows on a number of decisions, that it has become apparent throughout the organizational attempts at various branches of the employer across the country by several unions, that the employer, and I am referring to the Canadian Imperial Bank of Commerce, Mr. Speaker, has embarked on a campaign designed to discourage its employees from exercising their rights under the Canada Labour Code. The board states that some attempts were blatant and blundering, while others were more sophisticated and subtle. That sounds like the performance of the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) in other matters.

The fact remains that we have our largest financial and, indeed, our largest corporate institutions, coming before this Parliament cloaked in a mantle of some respectability—indeed, we almost all fall on our knees in the face of bank managers, be they large or small—yet we are told by the Canada Labour Board that the Canadian Imperial Bank of Commerce has been engaged in a systematic attempt to subvert the rights of Canadians under laws passed by this Parliament.

I think this is a very fundamental question. Why should we in this Parliament be granting such security and status to our largest financial institutions when they are not prepared to accept, indeed, when they are subverting systematically, to use the words of the Canada Labour Board, the rights of Canadians passed by this Parliament? I must say that that is something that is lost on me and lost on members of this party. We are not prepared to grant banks such security until such time as we can be sure that the rights of employees of the banks are respected and guaranteed, and until such time as the employees working for the banks have the same security as the banks are asking from this Parliament.

I want to end by suggesting to both ministers of finance who are with us today that we look forward to a long, healthy, and vital debate. We realize that this matter has been before this House in one form or another for quite some time. We are also convinced that hasty passage of the bill, and that, if one listens to the rumours one hears on the floor of the House, a refusal to allow the committee to call witnesses or that the Bank Act will be considered in Committee of the Whole and not even referred to the finance committee, would not serve the best interests of Canadians. We give notice to the minister that we will be pressing in committee for the calling of witnesses on the critical questions of corporate concentration, market power, competition, and consumer protection.