

exorbitant demands in terms of collateral and so on, on individuals who seek banking loans.

If we attempt to control the ability of the banks to set unilaterally whatever interest rate they wish or to introduce the concept, notion or idea of fairness between banks and borrowers, be it an individual, small business or a large business, we are told that is impractical, impossible, and that it will not work. We are told that such proposals are socialistic, a threat to private enterprise and will cause a greater expense to the banks, and 101 other objections, all of which were raised by the Liberal-Conservative party.

**Mr. Kempling:** Be honest, you turkey.

**Mr. Rae:** The hon. member for Burlington (Mr. Kempling) has asked me, in his inimitable way, to be honest. I am simply pointing out that the Bank Act introduced by the Liberal party is exactly the same Bank Act introduced by his party when it was in power. Can the hon. member show me how this act differs in any degree from the one presented by the hon. member for St. John's West (Mr. Crosbie)? To answer the hon. member for Burlington, that is why it is quite appropriate to call this act a product of the Liberal-Conservative party and to call it a Liberal-Conservative Bank Act.

**Mr. Nielsen:** You're trying to get out of the Liberal bed.

**Mr. Rae:** I can understand why hon. members to my right are so upset. I thought the hon. member for Burlington was getting up on a point of order, but I see that he is just leaving.

**Mrs. Mitchell:** Good.

**Mr. Rae:** If one cannot stand the heat, one must get out of the kitchen, and I see that the hon. member for Burlington is now leaving the kitchen. I am sorry to see that he is leaving, but I wish to make my remark clear. The reason that we are calling this act the Liberal-Conservative Bank Act is because that is precisely what it is, a bank act which reflects exactly the same philosophy, be it the philosophy of a minister of finance who comes from Inverness County or a minister of finance who comes from St. John's West, representing those two parties.

Fundamentally, this bank act represents the interests of the large institutions in Canada which, ironically, when one considers the origins of the two gentlemen to whom I have referred, are centred in central Canada and which, for over 100 years, exploited not only the people of central Canada, but also the regions of Canada. It is because of our concern about this legislation that we spent as much time as we have in this Parliament dealing with the act.

There has been some progress with respect to some aspects of competition as, for example, in the field of car leasing. There has been some advancement with respect to consumer protection, because we in this party shamed the Liberal party by redrafting amendments which were the product of the Borrowers and Depositors Protection Act and asked the gov-

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ernment to include them in the Bank Act. They agreed to do so and, as a result, we have made some progress.

It is important that the Liberal party be required to live up to some of the principles in which they say they believe, and it is important for these amendments to be in the Bank Act where they belong. We are sorry that data processing regulations, which deal with one aspect of competition in the act, are still the subject of a great deal of controversy within the banking community. We are concerned that the Toronto Dominion Bank is already advertising a number of services which, in our view, are questionable, with regard to competition with data processing companies.

The minister, who has seen the same correspondence as I, is perfectly aware that his own integrity has been called into question by CADAPSO because it is their feeling, which is very strong as indicated in their discussions with me, that the position of the data processing companies has in a sense been misunderstood and, as a result, has been misrepresented by the minister before the committee. I know that the minister will want to discuss this matter when he gives his speech on third reading. I know that he will want to indicate the intention of the government with respect to data processing.

I believe that the data processing question reveals in a sense where the bias of the government exists and where the problem exists. The problem is that we have left so much to regulation and to the judgment of the Department of Finance and the Inspector General of Banks, whose discretion has been exercised by and large on behalf of the chartered banks more so than on behalf of the competing institutions. We have a real problem with the administration of this act because so much has been left to the regulations.

If the minister would consult with each of the groups which compete with the banks in each of the fields which I have mentioned—car leasing, data processing, credit unions, trust companies and so on—to determine if their interests are protected by the Inspector General of Banks, he will find that there is a general feeling that on any given issue when the chips are down the regulatory bias exercised by the department will be practised in favour of the chartered banks rather than their competitors.

That situation has very serious implications because this act leaves a great deal to the discretion of the department and a great deal to the regulations. It has been at least ten years since the last revision and, God knows, it may be 13 years before this act is reviewed again. In that time a number of areas and regulations under this act will come to light, and the government's good faith will be on the line. I give the minister notice today that we will be looking very, very carefully at the regulations promulgated by the department, and that we intend to raise those regulations in question period and on other occasions in the House of Commons in order to see that the interests of people competing with the banks are protected and guaranteed in just as firm a manner as the Bank Act currently protects the banks.

I raised by way of Standing Order 43 the question of the relationship between a number of chartered banks and a