

Bank Act

Immediately before the order of the day for resuming an adjourned debate is called, or if the House be in Committee of the Whole, any minister of the Crown who, standing in his place, shall have given notice—

—he has to give notice at the previous sitting—

—of his intention so to do may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause or clauses—

Mr. Deputy Speaker: Order.

[English]

Order, please. It being 6.15 p.m. and the hour provided for the consideration of private member's business having expired, I do now leave the chair until eight o'clock.

At 6.18 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[English]

BANKS AND BANKING LAW REVISION ACT, 1980

MEASURE RESPECTING BANKING INSTITUTIONS

The House resumed, from Wednesday, May 7, consideration of the motion of Mr. Bussi eres (for the Minister of Finance) that Bill C-6, to revise the Bank Act, to amend the Quebec Savings Banks Act and the Bank of Canada Act, to establish the Canadian Payments Association and to amend other acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to take part in this debate on perhaps one of the most important pieces of legislation which is facing this Parliament, recognizing full well that this is not the first Parliament that has dealt with this particular piece of legislation. Many of my constituents, both individuals and small businesses in the municipality of Burnaby have expressed their serious concerns about a number of aspects of this bill. I hope to deal with some of those in the course of my remarks this evening.

There have been a number of important points made by previous speakers in this debate, and a number of statements which I feel I should make some reference to in the course of my remarks. I should also indicate, in view of the proceedings earlier today and the letter which was sent out by the manager of Consumer and Commercial Banking Services of the Royal Bank of Canada, that I do not have any bank accounts. I conduct my financial transactions through the Vancouver City Savings Credit Union.

Referring to some of the remarks made earlier in this debate, in particular certain remarks made by the hon. member for Mississauga South (Mr. Blenkarn), I believe he was attempting to skate around a very important point which was made by my colleague, the hon. member for Broadview-Greenwood (Mr. Rae). I would like to clear up that particular concern briefly.

My colleague reported quite accurately that since 1976 the Canadian chartered banks have doubled their assets and profits. The member to my right, in each sense of the word, tried to obscure this by declaring that the increased profits of the banks was due to inflation, and stated that all prices had doubled since 1969. In the meantime, he claimed "that profits of the major banks have in fact declined in the past year." The hon. member might be forgiven his inability to hear or understand my colleague's argument, but his claim with respect to bank profits must certainly be corrected. In fact, as my colleague pointed out, bank profits have increased by some 480 per cent since 1970.

In our consideration of this bill we have to address ourselves to a number of important questions, including the scale of banks, their crucial role in the Canadian economy, the effects of their overseas operations and their conduct in this country. It is important that the economic power of these institutions must be employed in the interests of all of the people of Canada and not merely in the interests of a few large corporations and their controllers. We should press for a significant public presence in the banking field. We should press for responsible disclosure of the activities of the banks, both at home and abroad. We should require the banks to conduct themselves more equitably in their relations with their employees.

Let us look for a moment at these institutions to see what an important part of the Canadian economy they represent. The Canadian chartered banks held among them assets of more than \$235 billion on February 29 of this year. The five largest chartered banks had among them about \$212 billion of these assets or more than 90 per cent of the total. I might point out that this has increased from some \$163 billion that the five banks held in assets in 1978.

These same five banks, the big five, have increased their profit position, in contradiction to the statements made earlier in the House by the hon. member for Mississauga South. In 1979 the profits of the big five banks increased by 21.9 per cent over the preceding year. I might point out that is an increase in total profits from \$904 million in 1978 to \$1.102 billion in profits last year.

The Toronto-Dominion Bank, for example, raised its profits by 24.1 per cent, the Bank of Nova Scotia by 17.5 per cent, the Bank of Montreal by 18.5 per cent, and the Royal Bank by 15.7 per cent. The only one of the big five to have an off year was the Canadian Imperial Bank of Commerce. Its profits increased by only 4 per cent over the \$193.5 million it had earned in 1978 when it was second in profits only to the Royal Bank's \$233.9 million. Not only have these firms amassed great reserves of wealth, but very importantly they are also