

Bank Act

the Bank Act. In outlining my remarks I have indicated what those circumstances might be. It might be just a case of calling the election at the wrong time. I hope, therefore, that members of this House had an opportunity themselves to examine the white paper. I think we should have a limited debate even of this nature given somewhat beyond Bill C-16. We thank the Chair for its indulgence, and I am sure that hon. members on the government side would want to respond in the same way so that we can discuss some of the requirements we think should exist in the Bank Act.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Bank Act by law is revised every ten years. We are now being asked to postpone that major revision. It is not because the opposition is opposing or blocking the revision of the Bank Act; it is because the government is not ready. This is an indication of how serious the economic situation is in this country and how the government has mismanaged its affairs.

This is a time when we have the highest number of unemployed Canada has seen since the great depression of the 1930's. By official statistics we have 991,000 unemployed. We know there are probably another 500,000 unemployed who are not counted in the official statistics. These are people who have given up looking for work because there are simply no jobs. These people live in areas such as Newfoundland, Cape Breton Island and eastern Quebec and the majority of them are women and youth. There are almost 20 people available for every job that exists. This is an indication of the serious situation in which this country finds itself.

Banks in every country have tremendous power. Banks play a major role in the decisions which will direct the economy over the next few months or years. And yet despite the banks' decisions to invest money in certain areas and in industry, and despite the importance those decisions have on the people of Canada, the government is not ready with its proposals to revise the Bank Act under which all the chartered banks and institutions such as the credit unions and trust companies operate. This is, to say the least, a disgraceful indication of the difficulties which this country faces.

This debate should be one of the most important debates in parliament. The chartered banks are at the centre of our whole financial system. We are disappointed, Mr. Speaker, that the government has taken this approach in postponing consideration and amendment of the Bank Act.

When the present Bank Act was tabled over 10 years it was labelled by the then finance minister as a "blueprint for competition". But over the next decade the banks grew faster than ever before in our history. They have consolidated their position at the centre of our financial system. In our view, their level of profits over the last decade has been much higher than public interest would have dictated. I would suggest, Mr. Speaker, in light of the anti-inflation program which this country has supposedly lived with since October, 1975, together with the 6 per cent restriction which the government has imposed on any increase of wages and salaries in the coming year, that the increase in assets and profits of the five

[Mr. Lambert (Edmonton West).]

largest banks is a disgrace. This is a situation the people of Canada ought not to put up with.

The five largest chartered banks which control 90 per cent of the assets have already an inordinate degree of power. Yet the new Bank Act which the government is considering and which I assume will be the basis for the bill when we get it some time next year, would increase substantially the powers the banks already have. They would be able to expand into new areas where they have previously been forbidden and thus be able to expand profits and power.

One only needs to look at the information which the banks make public to see the tremendous powers that they hold. I want to take a few moments to illustrate some of these powers. I do this because of the tremendous financial assets of the banks and because of the interlocking directorate between senior officers of the five largest banks and the other major industrial and financial corporations of this country. These facts I procured from the Directory of Directors published by the *Financial Post*.

Mr. W. Earle McLaughlin is the chairman of the Royal Bank of Canada, and I will mention just a few of the directorships which he holds. First of all is Sun Life, and those Canadians particularly from Quebec know all about Sun Life. Mr. McLaughlin is a director of Adele Investments; Algoma Steel; Allied Chemical; Canadian Pacific Railway; General Motors—this is the whole General Motors corporation not just the Canadian segment—Genstar; Metropolitan Life; Power Corporation; Ralston Purina, the food corporation; and Standard Brands.

Another of the Royal Bank's directors is Ian Sinclair who is the president of the CPR. According to a report in the *Globe and Mail* for February 22, Mr. Sinclair was forced under provisions of United States law by regulations enacted by its Securities and Exchange Commission, to make public the salary he earns. This is a salary well over \$300,000 a year. At the same time Canadians are being told by the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Chrétien) that they are living beyond their means. This is at a time when Canadians are being told by the Prime Minister that they should tighten their belts and so on; it is at a time when the CPR pays some of its retired employees pensions of substantially less than \$100 a month. Anyway, Mr. Sinclair, who is a director of the Royal Bank and of the CPR, is also a director of CP Investments, of CP Air, of Cominco, of Pan Canadian Petroleum, of the Canadian Investment Fund, of Great Lakes Paper, of MacMillan Bloedel, of Seagrams, of Simpsons Limited, and of TransCanada Pipelines.

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Look at the Canadian Imperial Bank. Its chairman, Russell Harrison, is a director of Brascan Limited, of British American Assurance, of Canada Life, of Kinross Mortgage, of TransCanada Pipelines and of the Royal Insurance Company. One of its directors, John A. McDougald, is head of the Argus Corporation, of Dominion Stores, of Standard Broadcasting, of Hollinger Mines, of General Bakeries, of Massey-Ferguson,