

*Bank Act*

This policy with regard to banking is about as stupid, illogical and unenlightened as our energy policy, where we subsidize Canadians to buy more of our disappearing energy resources so that we depend upon more foreign offshore resources on which we pay subsidies. Out of whose pocket? The Canadian. Talk about lunacy and idiocy! The Canadian economy has been put through the wringer of lunacy during the past few years on this particular score. It is the Canadian consumer who is paying for it all the way through, and now we are asking for a continuation. It is not quite so expensive. We are not spending \$3.5 billion to subsidize the consumption of foreign oil at the expense of Canadians and Canadian companies—western Canadian companies primarily—and to subsidize United States tourists who daily fill up foreign air carriers which tank up.

Here are a few million dollars or a few hundred million dollars. Here is more, but it all adds up to a policy that is equivalent to that of the old Roman empires. Give the mobs bread and circuses, and they will elect you; until the Roman mob ate up the Roman emperors. We are doing it.

I want a banking system which will take care of the needs of Canadians financially. I want there to be Canadian merchant bankers. I want our chartered banks to be strong, and not just here in Canada. I want them to be able to go abroad without penalty and on the basis of reciprocity. We cannot expect other than that, but why hamstring our people? We have a Canadian characteristic that if a Canadian operation is satisfactory and making money, the best thing to do is to go out and hamstring it, either through the tax system or some other way. We have that niggardly spirit when it comes to our Canadian presence.

● (2040)

I am not going to point the political finger, but I can assure you that every step that is taken to penalize the initiative of Canadian corporate businesses or individuals is in the direction of giving the outsider encouragement and strength. In so far as the Canadian individual is concerned, he is condemned to ulcers, high blood pressure and worry, and then the ultimate knacker's axe because that is the way we consider Canadian initiative and enterprise, that is the way our tax system is designed.

People complain about the loopholes that apply to foreign corporations. God, I wish they would turn their attention to the damage that they do to our Canadian enterprise. Therefore I say that in so far as our Canadian banks and trust companies are concerned, and here I include federations and the credit unions because they have now reached the stage—I want to talk to them about their chartered bank which has its headquarters in my home city—they draw their funds in part from pension funds and credit unions. That is the Canadian Commercial. Then there is the Northland branch which is, frankly, a far more overt outlet into the banking field of funds accumulated by the federations and the other groupings of credit unions. That is where real money is made. Those two banks, in the discussion of whose charters I participated, are

good money makers, and so is the Bank of British Columbia, once we got the government of British Columbia off it. They are good and they are doing the job. They are three out of the four which have been incorporated since 1968. I appeal to hon. members in the House that we do not put unnatural hobbles on our financial system.

We are going to be able to consider a lot of amendments in the committee, I trust, but I do not see that many changes between this bill and the bill that was before us in December. Yes, there are a few changes, for instance, foreign banks having to go to cabinet—their minister having to go to cabinet—in order to establish another branch. That is nonsense. It is the Inspector General who should look after this. Why do you hire a watchdog and then do your own barking? Cabinet is too busy and has too many things on its plate, and it is ill-qualified by reason of the complexity of the work that it faces to be able to arrive at the right decision.

Let us say the Bank of America, which has many branches in Newfoundland, wants to establish another one in Nova Scotia in a shopping mall or in one of the major towns. Does it have to come to cabinet here? What utter nonsense! Let us take the case of Barclay's or the First National Bank of Seattle with its branch in Edmonton. It wants to establish another branch in Calgary. Why should it have to come to cabinet? That is one of the things we want to talk about in committee. It will require the mere change of one word, but the government went against the opinion of the committee on this.

There are some other matters about which we want to talk. I want to mention the fact that 8 per cent of Canadian assets of Canadian banks is the ceiling beyond which foreign banks cannot penetrate. What is so magical about 8 per cent? The committee proposed 10 per cent. I saw the government's reasoning in this regard, and, frankly, I do not buy it. We are not legislating for today with inflation at this high level, and we are not legislating for yesterday. Again we have this foolish nonsense of containment. Let me say to the minister, through you, Mr. Speaker, that we are legislating for the next 15 to 20 years. Why do we limit ourselves?

The Inspector General of Banks is the watchdog for government, and, thank goodness, in this act he is finally being given an active role. In the previous act—and I complained about it—he was the mere recipient of reports, a toothless dog. He admitted it, but the government of the day would not do a damn thing about it. Now, thank goodness, we have a more activist concept in the role of the Inspector General of Banks. In part we are meeting a social need. I am not one who believes that every group of self-appointed consumer activists should have the right to sit on the board of a bank or on the Canadian Payments Association. Gracious me, they do not realize that the chaos and the delays they cause ultimately add up to \$2 on the bottom line where \$1 had been the price before, but it gives them some self-satisfaction! Perhaps they love to see it in the headlines, I do not know, but it does not go that way.